



Daily Report

China

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Daily Report

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General

Foreign Ministry Holds Weekly News Briefing

Stance on Vietnamese Refugees

OW2207090693 Beijing XINHUA in English 0859
GMT 22 Jul 93

[Text] Beijing, July 22 (XINHUA)—Chinese Foreign Ministry spokesman said here today that the Chinese side is very much concerned with the recent influx into Hong Kong of the Vietnamese refugees who claimed to have come from Beihai of south China's Guangxi Zhuang Autonomous Region.

When asked to comment on the matter, the spokesman said it is a consistent and clear-cut principled position of the Chinese Government to prevent the Vietnamese refugees ever resettled on the Chinese Mainland from flowing into Hong Kong and resolve the issue of the Vietnamese boat people staying in Hong Kong.

The spokesman noted that the competent Chinese authorities are making intensive inquiries into the matter and have taken measures to prevent it.

The spokesman added that "they will, as they did before, make arrangements in collaboration with other departments concerned, to take back as soon as possible those Vietnamese refugees who are proved to have been resettled on the mainland but have entered Hong Kong illegally, once their identities are verified."

"The Chinese side has always held an attitude of active cooperation toward this matter. It is hoped that the British Hong Kong Government will also take effective measures to help properly settle the issue," the spokesman said.

PRC, UK To Meet 16 Aug

OW2207080793 Beijing XINHUA in English 0752
GMT 22 Jul 93

[Text] Beijing, July 22 (XINHUA)—China and Britain will hold the ninth round of talks on the arrangement for the 1994/1995 elections in Hong Kong here from August 16 to 17, the Chinese Ministry of Foreign Affairs announced here today.

It said that the two sides have agreed that the Chinese Government representative and Vice-Minister of Foreign Affairs Jiang Enzhu and the British Government representative and British Ambassador to China Sir Robin McLaren will hold the talks in accordance with the Sino-British Joint Declaration, the principles of convergence with the Basic Law for the Hong Kong Special Administrative Region and the relevant agreements and understanding reached between the two countries.

On Japanese Visits to Taiwan

HK2207075093 Hong Kong AFP in English 0738 GMT
22 Jul 93

[Text] Beijing, July 22 (AFP)—China said Thursday [22 July] it hoped Japan would respect its pledge to forbid cabinet-level visits to Taiwan, after two ministers called in Tokyo for lifting the ban. "We hope that the principles of the Sino-Japanese Joint Declaration and the understanding the two sides have reached can be abided by," the Chinese Foreign Ministry said.

Under the joint declaration, Tokyo agreed not to engage in official contacts with Taiwan, which Beijing regards as a renegade province.

In a Japanese cabinet meeting Tuesday, International Trade and Industry Minister Yoshiro Mori and Labor Minister Masakuni Murkami proposed ending the ban, press reports said. Murkami said he was planning to attend the International Vocational Training Competition in Taiwan later this month. But chief cabinet secretary Yohei Kono ruled out the visit, citing Chinese sensitivities.

Japanese Foreign Minister Kabuo Moto said he discussed the issue with his Chinese counterpart Qian Qichen in May and was warned to handle it cautiously.

The United States ended a 13-year ban on ministerial-level visits to Taiwan last year. China protested, but did not retaliate.

Hu Jintao To Visit DPRK

OW2207024393 Beijing XINHUA in English 0226
GMT 22 Jul 93

[Text] Beijing, July 22 (XINHUA)—A delegation of the Chinese Communist Party (CPC) and the Chinese Government will pay a goodwill visit to the Democratic People's Republic of Korea (DPRK) from July 26 to 29, a Chinese Foreign Ministry spokesman announced here today.

The delegation, headed by Hu Jintao, member of the Standing Committee of the Political Bureau and member of the Secretariat of the CPC Central Committee, will visit DPRK at the invitation of the Central Committee of the Workers' Party of Korea and the DPRK Government.

Chi Haotian, member of the CPC Central Committee, state councillor and minister of national defense, is the deputy head of the delegation.

During the visit the delegation will attend DPRK's celebrations of "the 40th anniversary of the victory of the war of liberation of the motherland", the spokesman said.

Beijing Radio on U.S.-DPRK Nuclear Talks*SK2107145493 Beijing China Radio International in Korean 1100 GMT 21 Jul 93*

[Text] On evening of 19 July, the United States and the DPRK reached an agreement on the International Atomic Energy Agency's [IAEA] inspection of the DPRK's nuclear facilities [haek sisol].

In a joint statement following their three-day negotiations, the DPRK and the United States said: The overall and complete implementation of the nuclear safeguards accord is a basic condition for implementing the Nuclear Nonproliferation Treaty [NPT].

The DPRK agreed to hold negotiations soon with the IAEA on inspections of the DPRK's nuclear facilities and to hold talks with the ROK on the demilitarization [pigunsahwa] of the Korean peninsula and other bilateral issues between the South and North.

The United States said that it will help the DPRK replace its atomic reactors with light water reactors.

The United States and the DPRK also agreed to hold talks again in the next two months to discuss the general improvement of relations between the two countries.

In February 1993, the DPRK rejected the IAEA's demand for inspections of its nuclear facilities. On 12 March, it announced that it would withdraw from the NPT.

DPRK and U.S. delegations held talks in New York in June and reached a basic agreement on bilateral issues and security issues. Therefore, the DPRK announced its decision to suspend its withdrawal from the NPT for a while.

The DPRK and the United States resumed their talks in Geneva on 14 July and made new progress in the talks. However, public opinion noted: The DPRK-U.S. talks have resulted in certain progress. At the same time, both sides showed some reservation.

In a news conference, which was held after the U.S.-DPRK joint statement was signed, Robert Gallucci, assistant secretary of the U.S. State Department who is the chief U.S. delegate, said: Whether the United States and the DPRK are able to hold negotiations on the general improvement of U.S.-DPRK relations depends on whether the DPRK will hold solemn and sincere negotiations on nuclear inspections with the IAEA and the ROK.

He said: It is impossible for the United States to provide prompt support to the DPRK for changing its nuclear military facilities [haek kunsu sisol] into civilian ones.

In the news conference, DPRK Vice Foreign Minister Kang Sok-chu, head of the DPRK delegation, was indignant at the fact that the IAEA's inspection team had provided the United States with the DPRK's military information, which has no ties with nuclear weapons, by

using its position. He then said: This is why the DPRK rejected the IAEA's inspections.

Vice Foreign Minister Kang Sok-chu expressed concerns about the military alliance between the United States and the ROK and repeated joint U.S.-ROK military exercises, noting that these are not helpful for easing tensions on the Korean peninsula.

In his answer to a question on whether the DPRK will rejoin the NPT, Kang said that it depends on the IAEA's objective and impartial position in handling the issue concerning the DPRK's nuclear facilities.

Human Rights Meeting Principles Viewed*OW2107163693 Beijing XINHUA in English 1615 GMT 21 Jul 93*

[Text] Geneva, July 21 (XINHUA)—The World Conference on Human Rights is significant in mapping out principles for protecting human rights and fundamental freedoms, said Hou Zhitong, Chinese representative to the 1993 session of the U.N. Economic and Social Council (ECOSOC).

"The conference set as a priority for the international community the removal of racism, racial discrimination and xenophobia," Hou said.

The Vienna Declaration and the program of action adopted at the conference embody "certain common understanding" of the international community in its activities, according to Hou.

However, he noted that it also reflects their differences of opinion in that area.

Hou stressed that it is only "normal" that regions and countries should have differences over the human rights issues due to differing political and cultural backgrounds.

Jiang Zemin Greets UN-Sponsored Disaster Forum*OW2207101893 Beijing XINHUA Domestic Service in Chinese 0846 GMT 25 Jun 93*

[By reporter Hu Xiaomeng (5170 2556 1125)]

[Text] Beijing, 25 Jun (XINHUA)—State President Jiang Zemin today sent a congratulatory letter to the international conference on China's disaster management in Beijing. The congratulatory letter reads: The reduction of global natural disasters is a long-term common task of all countries. A major objective of the activities of the "international decade for natural disaster reduction" is to reduce natural disasters in developing countries. As a developing country, China will further expand exchanges and cooperation with other countries in future disaster-reduction work and will make contributions to disaster reduction in the world.

The international conference on disaster management in China was jointly sponsored by the China Committee of

the International Decade for Natural Disaster Reduction, the Ministry of Civil Affairs, and the UN Development Program. The conference was aimed at enhancing awareness among major policy-makers and the public of the need for disaster reduction, at promoting a better understanding in the international community about China's major disaster problems and disaster reduction work, and at exploring fields in which international aid is required. Representatives from nearly 20 countries attended the conference.

Luo Gan, state councillor and secretary general of the State Council, attended the conference and gave a speech on behalf of the Chinese Government. He said: China is a disaster-prone country. In the past many years, we formulated a series of principles and policies on disaster reduction; invested large amounts of human, material, and financial resources in this field; and scored magnificent achievements. However, we still encounter such difficulties as shortages of funds needed for investment in disaster reduction and for purchases of relevant equipment; and some weak sectors remain in our disaster reduction work. Therefore, our future tasks in disaster reduction are very formidable. Shouldering such a heavy responsibility, the Chinese Government will, as always, make tremendous efforts to reduce natural disasters.

He said: The Chinese Government will uphold the guiding ideology of paying equal attention to economic construction and disaster reduction; strengthen the leadership of governments at all levels in disaster reduction; continue to carry out the policy of integrating disaster prevention, disaster resistance, and disaster relief operations with the emphasis on disaster prevention; raise funds through various channels; increase investment in disaster reduction; and strengthen the construction of disaster prevention projects. Moreover, the Chinese Government will gradually improve disaster information and relief systems, enhance disaster monitoring and forecasting services, improve rapid-response capabilities in coping with disasters, vigorously promote research into disaster reduction technology and its applications, and quicken the pace of enacting laws on disaster reduction. From now on, disaster reduction efforts should be concentrated on disasters which cause serious damage and on locations which occupy important places in national economic and social development.

Arrow [name as received], director of the UN Secretariat of the International Decade for Natural Disaster Reduction, made a special trip to China to attend the conference. He briefed conferees on the UN's role in global disaster management, and expressed the hope that China would safely tide over the coming flood season.

Doje Cering, minister of civil affairs and vice chairman of the China Committee of the International Decade for Natural Disaster Reduction, made a report titled "The Chinese Government's Disaster Reduction Measures." After giving a briefing on China's basic measures for disaster reduction, he said: As reform and opening up deepen and the economy further develops, it is all the

more necessary to further strengthen disaster reduction work. From now on, the Chinese Government will take a series of additional effective measures to conduct disaster reduction activities in an in-depth and protracted manner, and will unceasingly strive for new achievements in this field.

During the one-day conference, high-ranking Chinese Government officials, UN representatives, and disaster reduction experts discussed China's major disaster problems and potential areas for international cooperation.

Olympic Official on 'Problems' in Beijing's Bid

*HK2207050093 Hong Kong AFP in English 0323 GMT
22 Jul 93*

[By Gilles Campion]

[Text] Beijing, July 22 (AFP)—China's Olympic power-broker He Zhenliang has urged the International Olympic Committee to demonstrate its universal spirit by selecting a developing country to stage the 2000 Games. The Olympic Games should not be reserved exclusively for the developed world, He argued in an interview here. Beijing is one of six cities vying to host the 2000 Games and the IOC will announce the winner in September.

"We know well that there are still things we need to improve, but China is not like Germany, Great Britain, or Australia," the China Olympic Committee president said Wednesday. "China is a developing country and it is in the interests of the entire world that China develops and opens itself to the outside world." Also an IOC vice-president and an executive vice-president of the Beijing Olympic Games bid organising committee, He said he was "thoroughly optimistic" about the Chinese capital's chances and underlined "the very positive comments" of IOC investigators on Beijing's candidature.

An IOC investigating team visited all six candidate cities—Beijing, Berlin, Brasilia, Manchester, Istanbul, and Sydney—and published their findings earlier this month. Beijing did not escape criticism in the report and most commentators concluded from it that Sydney was the favoured bid for the 2000 Games. He does not agree, saying, "The report is objective and accurate, but what was not right was that it was leaked beforehand and the interpretation some of the media placed on." Problems Beijing faces with hosting the Games will be ironed out before the end of the decade, he said.

The Chinese, one quarter of the world's population with a civilisation dating back 5,000 years, want the Games for their capital, he said, quoting a national survey which will be published soon showing that more than 98 per cent the population support the city's candidature. Most residents of the capital back the Games because they see benefits for themselves in terms of upgrading of the city's infrastructure while shopkeepers see a financial windfall.

He said that before the end of the century 70 percent of Beijing homes currently burning coal for heating, the vast majority, would be supplied with natural gas from a new pipeline from the northern province of Shaanxi on which work will start next year. "It is true that the air is polluted by the burning of coal but also because of construction sites. But we are sure that by 2000, this environmental problem will be solved."

On the subject of weaknesses in Beijing's bid underlined in the IOC report, he said: "We wanted to be honest and frank in saying exactly what we had in terms of sports facilities now and for the year 2000. "The many existing facilities were built either for the 1990 Asian Games or 30 years ago. We only have to upgrade them to Olympic level. "For example, we have earmarked for table tennis a huge skating rink, unique in Asia, and the fourth biggest in the world, and yet we told the IOC that we did not have any facility for this sport, because we knew we would have to carry out some modifications. "We were perhaps being a bit too honest compared to other candidates, but we think that that is necessary for the IOC," He said.

On the problem of language, he said efforts were being made to teach English, French, and other languages in 400 institutes. "But if the Olympic Games can only be organised in English-speaking countries, what will happen to the Olympic movement," he said, pointing out that Tokyo and Seoul had already staged Olympiads.

As for problems created by the Olympic athletes villages and competition being widely spread out, He said the bid organising committee had deliberately organised it that way. Competition would take place "at four sites in the capital so that the population can benefit from the event, even after the Olympics are over," He said. "The Games last only 15 days and the concentration of all facilities in one place is perhaps nice for the athletes but not practical for the spectators and for availability of sports facilities in the city."

The Chinese Olympic chief indicated that the budget for the bid would leave a 120 million dollar profit. After paying the IOC's 10 percent share, "we will devote the remainder to the creation of a foundation of international cooperation for sport aimed at promoting sport in developing countries."

Mr. He said Beijing Communist Party chief Chen Xitong, who is president of the bid organising committee "and a high government leader" will travel to Monaco to hear the decision of the IOC on the host city for the 2000 Games on September 23.

Haikou Hosts International Seminar on Market Economy

HK2207003293 Beijing RENMIN RIBAO in Chinese
8 Jul 93 p 2

[Dispatch by reporter Bao Hongjun (7637 3163 0193):
"International Seminar on the Theory and Practice of

China's Market Economy Held in Haikou City; Li Tieying Sends Message on Behalf of the Chinese Government"]

[Text: Haikou (RENMIN RIBAO)—The International Seminar on the Theory and Practice of China's Market Economy, cosponsored by the China (Hainan) Reform and Development Research Institute, the China Economic Society in the United States, and the China Economic Society in the UK, was held in Haikou from 1 to 3 July.

Li Tieying, state councillor and director of the State Commission for Restructuring the Economy, entrusted Gao Shangquan, president of the China (Hainan) Reform and Development Research Institute, to read his written message at the seminar. He said that the theory of reform originates from practice. Socialist market economic theory constitutes a breakthrough and a new starting point for the theory of traditional political economics as well as a summary of the practice of China's market-oriented reform. The socialist market economic system represents the internal unity of public ownership and the market economy. Under the state's positive and effective macroeconomic regulation, the market mechanism plays a basic role in the distribution of resources and presents an economic system which perfectly combines efficiency with fairness. In focusing on this target model, we should further explore and answer some new and major theoretical questions. He hoped that the experts would take particular note of analyzing and studying the key issues and the difficult and common problems in reform and current development.

More than 70 experts from China and abroad held heated discussions on the topics of macroeconomic control and regulation, inflation, changing government functions, introducing the new enterprise system, the cost of economic growth, property rights, and taxation reform, all of which have been raised in the process of China's establishment of the socialist market economic system. In view of the 10.2 percent increase in the country's retail price index from January to May this year and the 12 percent increase in its inhabitants' cost of living, some experts suggested that it is necessary to strengthen macroeconomic control and regulation and tighten credit and that the adoption of some microscopic regulatory measures in light of the actual circumstances would be a wise option for avoiding economic fluctuations.

United States & Canada

Vice Premier Li Lanqing Meets U.S. Visitors

OW2107131393 Beijing XINHUA in English 1159
GMT 21 Jul 93

[Text] Beijing, July 21 (XINHUA)—Chinese Vice-Premier Li Lanqing met here today with a United States foundation delegation headed by John Cook, president of the Henry Luce Foundation.

The delegation, sponsored by the U.S. National Committee on the U.S.-China Relations, arrived here Monday [19 July] for a 10-day visit as guests of the Chinese People's Institute of Foreign Affairs (CPIFA).

Its members included officials from some influential U.S. foundations, such as the Rockefeller Brothers Foundation and the Johnson Foundation.

CPIFA Vice-President Zhang Wenpu and U.S. Ambassador to China Stapleton Roy were present at the meeting.

U.S. House of Representatives Extends MFN

OW2107224693 Beijing XINHUA in English 2054
GMT 21 Jul 93

[Text] Washington, July 21 (XINHUA)—The U.S. House of Representatives voted 318 to 105 today to continue the most-favored-nation [MFN] trading status for China for another year.

The result of the vote defeated a resolution which would immediately revoke China's MFN on false charges in areas such as human rights, arms sales and trade practices.

The aborted resolution was also designed to thwart the plan of President Clinton, who, in his executive order on May 28, proposed a one-year MFN renewal for China while at the same time setting conditions for any further extension beyond 1994.

During a one-hour debate this morning, some of the speakers who opposed the resolution argued that terminating China's MFN meant "putting an end to a normal trading relations" with a big importer of U.S. products, "cutting ourselves off from one of the world's fastest-growing economies" and that would represent "a dangerous approach" to bilateral relations. Some considered revoking or conditioning China's MFN as "unrealistic," "impracticable," "unwise" or "unnecessary". Still others called for "giving the President's policies a chance to work" and not "undercutting the united front" formed of the Congress and the President on China policy.

Northeast Asia

Li Lanqing Receives Japanese Businessmen

OW2107133393 Beijing XINHUA in English 1305
GMT 21 Jul 93

[Text] Beijing, July 21 (XINHUA)—In a meeting with high-ranking Japanese business executives in Beijing today, Chinese Vice-Premier Li Lanqing said that the measures Chinese Government is currently implementing to remedy problems in the economy do not mean China will embark on a comprehensive austerity program.

Li made the remark in a meeting with a delegation of the Japan-based Itochu Corporation, headed by Itochu President Minoru Murofushi.

Li said that over the course of its transition to a market economy, China is inexperienced in exercising macro-control. Personal will of officials in making important economic decisions has not yet totally given way to market mechanism, Li said.

Some remedial measures the Chinese Government has taken have already scored initial successes, Li said.

He stated that the sectors of agriculture, energy, transportation, basic materials and technological renovation will continue to be the focus of China's economic development, and added that "only after a solid foundation has been laid can we maintain sustained growth."

China and Japan are economically complementary, and prospects for cooperation are good, said Li, who is also a member of the Political Bureau of the Chinese Communist Party Central Committee.

Minoru Murofushi briefed Li on the development of Itochu's business with China and expressed the hope that the corporation will expand its links with China.

Trade volume between China and the Itochu Corporation last year reached three billion U.S. dollars.

The delegation, which is here at the invitation of the China Council for the Promotion of International Trade, will also tour Shanghai and Shenzhen to view the results of China's reform and opening up.

Based its investigation of the economy here, Itochu will formulate new trade and investment policies towards China, the president said.

ROK Communications Minister Departs for Visit

OW2207075393 Beijing XINHUA in English 0604
GMT 22 Jul 93

[Text] Seoul, July 22 (XINHUA)—South Korean Communications Minister Yun Tong-yun left here Thursday [22 July] for a visit to China, during which he will hold talks with Chinese officials on mutual cooperation in the fields of posts and telecommunications.

Yun is expected to conclude a posts and telecommunications cooperation agreement and exchange views with Chinese officials on ways to expand South Korean firms' participation in the modernization of China's telecommunications facilities.

The pact will encourage South Korean companies to sell more telephone equipment, especially switching gears, to China, government officials here said.

Yun is to attend an opening ceremony of a 25-million-U.S.-dollar joint venture between South Korea and China in Shandong Province, which will produce the Korean-developed time-division exchange systems.

The minister will also attend the dedication ceremony of a satellite earth station in Shandong, which is to provide satellite telephone links with Seoul.

Southeast Asia & Pacific

NPC's Qiao Shi Meets Indonesian Counterpart

OW2107131093 Beijing XINHUA in English 1245
GMT 21 Jul 93

[Text] Jakarta, July 21 (XINHUA)—The National People's Congress (NPC) of China will promote its friendly cooperation with the parliament of Indonesia and learn from its experiences of law formulation, a senior Chinese official said here today.

During a meeting with his Indonesian counterpart Wahono this morning, Qiao Shi, chairman of the NPC Standing Committee, said China's NPC pins high expectations on its cooperation with the Indonesian parliament.

Qiao said that China and Indonesia are friendly neighbors and they "used to have same sufferings, and now have the same task of developing economy."

Friendly relations with ASEAN (the Association of Southeast Asian Nations) countries is an important part of China's diplomatic policy, Qiao said.

Qiao arrived here yesterday for a five-day visit to Indonesia, the first leg of his five ASEAN-nation tour, which will also take him to Malaysia, the Philippines, Thailand and Singapore.

The Chinese leader said that Sino-Indonesian cooperation in every aspects have developed drastically since the diplomatic relations between the two countries were resumed three years ago.

China is determined to maintain friendly relations with Indonesia on the basis of the Five Principles of Peaceful Co-existence and the 10 principles of Bandung Conference, he said.

Wahono said that promoting the relations between China and Indonesia is of vital importance to safeguarding the peace and stability of Asia and the world.

Speaks at Banquet

OW2207032293 Beijing XINHUA in English 1608
GMT 21 Jul 93

[Text] Jakarta, July 21 (XINHUA)—Indonesia is earnest to see Southeast Asia to be an area filled with friendship, a senior Indonesian official said here this evening.

Wahono, chairman of the house of representatives of Indonesia, made these remarks at a banquet he held in honor of Qiao Shi, chairman of the Standing Committee of the Chinese National People's Congress (NPC), who is here on a five-day visit to Indonesia.

"We are glad to see that cooperation between China and all the countries in this region is developing continuously," he said.

Wahono spoke highly of the role China has played in safeguarding the stability of Asia.

Qiao, who arrived here yesterday, said, "as the chairman of the Non-Aligned Movement, Indonesia energetically pursues an independent foreign policy and is playing an increasingly important role in world affairs for the maintenance of peace and stability and the establishment of a new international political and economic order."

Thereby, he said, it has won widespread acclaim from the Third World countries.

Qiao said that China needs a peaceful international environment and particularly a surrounding environment of lasting stability to achieve a faster economic development.

The Chinese people, who once suffered immensely from big power bullying and humiliation, are firmly opposed to any form of hegemonism, Qiao said.

He said that even after its economy is developed, China will not seek hegemony, spheres of influence and expansion.

Sees President Suharto

OW2207080893 Beijing XINHUA in English 0756
GMT 22 Jul 93

[Text] Jakarta, July 22 (XINHUA)—Indonesian President Suharto said here today that the current visit to his country by Qiao Shi, chairman of China's National People's Congress, will help promote relations and cooperation between the two countries.

Qiao Shi arrived here Tuesday [20 July] for a five-day visit.

"Indonesia sticks to the foreign policy of peaceful co-existence and developing friendly relations with other countries on the basis of mutual respect, non-interference and mutual benefit," Suharto said.

Different countries have different political systems, but so far as they stick to self-respect and mutual respect, they could maintain cooperation of mutual benefit, the president stressed.

Qiao Shi said that China also pursues a foreign policy of independence and peaceful co-existence with other nations. He expressed the hope for more exchanges between China and ASEAN countries.

Meets Association Leaders

OW2207083993 Beijing XINHUA in English 0828
GMT 22 Jul 93

[Text] Jakarta, 22 (XINHUA)—China shares many views with Indonesia on major international issues, said Qiao Shi, chairman of China's National People's Congress who is visiting this country.

He made the remarks this morning when meeting leaders of the Indonesia-China Association for Economic, Social and Cultural Cooperation.

"I found many common or similar ideas when I exchanged opinions with the leaders of Indonesia," Qiao said.

Although China and Indonesia have different social systems, Qiao noted, the two countries experienced similar sufferings in the past and now face the same task of economic development.

The chief Chinese legislator expressed his appreciation to the association leaders for their efforts in promoting Sino-Indonesian friendship and cooperation.

The association, established a year ago, comprises well-known Indonesian entrepreneurs and social and cultural celebrities.

Qian Qichen Issues Statement in Singapore

OW2107163293 Beijing XINHUA in English 1607
GMT 21 Jul 93

[Text] Singapore, July 21 (XINHUA)—Qian Qichen, vice premier and foreign minister of China, is convinced that the coming consultations between China and ASEAN will generate positive results.

Qian arrived at Changi Airport at 10.30 PM today for an official visit to Singapore at the invitation of Singapore Foreign Minister Wong Kan Seng.

During his stay here, Qian will also participate in events related to the 26th ministerial meeting of the Association of the Southeast Asian Nations (ASEAN) from July 23-26 as the guest of ASEAN.

In a written statement released at the airport tonight, Qian said that he would meet with the ASEAN foreign ministers with a view to "enhancing understanding, broadening consensus and strengthening cooperation."

"I will exchange views with them on closer relations and cooperation between China and ASEAN and on international and regional issues of common interest. I am convinced that our consultations will generate positive results," the Chinese foreign minister said.

China attaches great importance to developing friendly relations with ASEAN and ASEAN countries and regards it as an important component of China's independent foreign policy of peace, said Qian.

He noted that China is pleased to see an all-round growth of its relations with all ASEAN countries and closer ties with ASEAN.

Qian will call on Singapore leaders and hold talks with his Singapore counterpart Wong Kan Seng tomorrow.

Li Tieying Meets Fidel Ramos in Philippines

OW2107133793 Beijing XINHUA in English 1122
GMT 21 Jul 93

[Text] Manila, July 21 (XINHUA)—Visiting Chinese State Councilor Li Tieying revealed today that China may complete the transition of its economic system from a highly centralized one to a market-oriented one by the end of this century.

Li, who is also the minister of the State Commission for Restructuring the Economic Systems (SCRES), made this revelation during his 40-minute meeting with President Fidel Ramos this afternoon in Malacanang.

"The SCRES is now considering to make the suggestion that China should complete the process of building an economic system which should be basically oriented by market forces by the year 2000," Li told his host.

"We are now conducting an intensified research, which includes studying the mechanisms of other country's market competition," he added.

Li, now heading a 11-member delegation of economic system reform, is in the Philippines to learn the country's experience in macroeconomic policies, enterprises restructuring policies and market rivalry regulations.

The delegation will proceed to Singapore and Hong Kong after its five-day stay in the Philippines.

During his meeting this morning with officials of the Philippine National Economic Development Authority headed by its Chairman Cielito Habito, Li said the reform in China is basically to reform the overcentralized planning system.

He clarified that this is not to cast aside the planning or macroeconomic policies. "What we have been doing is to seek for a combination of the planning and market in which both of them would play to full their positive roles," he said.

"We call this combination socialist market economy. And our reform efforts have been quite successful," Li said.

The state councilor said his government is determined to carry on the reform which, according to him, has tripled the country's gross national product (GNP) since 1980 when the reform started.

"There would be no development without reform and no bright future without open policy. This is what we learnt from our experience. We will never change our reform and open policy," he said.

Sub-Saharan Africa**Reportage on Malian Defense Minister's Visit****Meets Zhang Wannian**

OW2107131893 Beijing XINHUA in English 1143
GMT 21 Jul 93

[Text] Beijing, July 21 (XINHUA)—General Zhang Wannian, chief of general staff of the Chinese People's Liberation Army (PLA), met with and feted Djonkounda Traore, visiting minister of national defense of Mali, and his party here this evening.

Traore and his party arrived here yesterday.

Discusses Ties With Zhang Zhen

OW2207100893 Beijing XINHUA in English 0951
GMT 22 Jul 93

[Text] Beijing, July 22 (XINHUA)—General Zhang Zhen, vice-chairman of the Central Military Commission of China, met with Djonkounda Traore, visiting Malian minister of national defense, and his party here this afternoon.

Zhang extended a welcome to the Malian guests, who are here for their first visit to China, saying that the profound friendship exists between the Chinese and Malian peoples even though the two countries are far away from each other.

Sino-Malian relations have been developing smoothly since the two countries established diplomatic ties over 30 years ago, he noted.

He expressed his belief that through this current visit by Traore, the friendly and cooperative relations between China and Mali as well as between the military forces of the two countries will be further strengthened.

During the meeting, Zhang also briefed the guests on the situation in China's economic construction. He said that China belongs to the Third World and it needs a stable environment to build up the country and raise the people's living standards.

Traore said that he is happy to have the chance to visit China. He expressed his congratulations over the achievements that China has made in economic construction and hoped that the friendly cooperative relations between the two nations and their military forces will be enhanced.

General Chi Haotian, Chinese state councillor and minister of national defense, and Lieutenant General Xu Huizi, deputy chief of general staff of the Chinese People's Liberation Army, were present at the meeting.

Traore and his party arrived here Tuesday [20 July] as Chi's guests. In addition to Beijing, they are scheduled to visit Shanghai.

Political & Social

Jiang Zemin Names Li Peng in Fund-Raising Scandal

HK2207045093 Hong Kong THE STANDARD in English 22 Jul 93 p 10

[Report by Agnes Cheung]

[Text] Ailing Premier Li Peng has been named by President Jiang Zemin in his criticism of rampant fund-raising activities by a Chinese industrial group. Jiang said Li had approved the Great Wall industrial group's fund-raising from the public and Vice Premier Zou Jiahua had attended a press conference in this connection, State Council sources said.

Jiang, also general secretary of the Chinese Communist Party, made the references in his speech before Chinese ambassadors last week at a meeting in Beijing. He cited the Beijing Great Wall Mechanical and Electrical High Technology Industrial Corp as a typical company engaged in economic "crimes" which had to be stopped, the sources said.

They said Jiang's speech had been compiled into a document by the foreign ministry and copies were recently passed on to cadres above the section level.

The president of the Great Wall group, Shen Taifu, has been detained and the company suspended for alleged bribery and rampant fund-raising. The sources said the Great Wall case involved a number of officials and reporters. Some of these, including Vice Minister of the State Science and Technology Commission, Li Xiaoshi, had been arrested.

They claimed the premier's wife, Zhu Lin, had also been involved.

The Vice Chairman of the National People's Congress, Fei Xiaotong, escaped blame after he donated the money obtained from the group to his home town, the sources said.

Fei had earlier written an article supporting Great Wall's fund-raising activities.

Reportage on Leadership Inspection Activities

More on Jiang's Remarks in Qinghai

OW2207072593 Beijing XINHUA Domestic Service in Chinese 0905 GMT 21 Jul 93

[By reporters Jin Jiasheng (6855 0857 5116) and Sun Ninghai (1327 1337 3189)]

[Text] Xining, 21 Jul (XINHUA)—During a recent inspection tour of Qinghai, Jiang Zemin, general secretary of the CPC Central Committee, state president, and chairman of the Central Military Commission, emphasized: It is very important for Qinghai and other western

provinces in China to seize favorable opportunities to speed up reform and opening to the outside world to boost the local economy. Under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, Qinghai should make the best use of opportunities for development, based on local conditions, through scientific planning, taking correct and prudent measures, and doing down-to-earth work.

Jiang Zemin visited Qinghai's Xining, Golmud, Huzhu Tu Autonomous County, as well as Gonghe County, on 16-21 July in the company of Secretary Yin Kesheng of the Qinghai Provincial CPC Committee, Governor Tian Chengping, and Political Commissar Cao Pengsheng of the Lanzhou Military Region. He went deep into villages and pastoral areas, called on farm households and herdsmen, and inspected a number of large and medium-sized enterprises and research institutes.

Jiang Zemin expressed his satisfaction with the great changes and marked achievements in various aspects that the province has made since the third plenary session of the 11th CPC Central Committee. He attributed Qinghai's achievements in reform, opening up, and economic development to the creative work the provincial party committee has done while conscientiously implementing the central authorities' principles and policies in light of local conditions, as well as to the assiduous efforts of cadres and people of all nationalities in Qinghai. The general secretary asked the provincial party committee to convey the party Central Committee's regards and tribute to cadres and people of all nationalities, as well as workers, soldiers, intellectuals, and cadres coming from all over the country to take part in construction in Qinghai.

During the inspection, Jiang Zemin emphatically pointed out: Since Qinghai is rich in natural resources, it should attach great importance to the exploration of natural resources. It should speed up the exploration and utilization of resources with various means so that the development of resources can become a leading industry to boost the provincial economic and overall development. He believed that this should be made an important development strategy of Qinghai.

The general secretary called on Qinghai to make greater efforts to promote agricultural and animal husbandry production and work hard to produce enough grain to feed the province's people and to scale new heights in animal husbandry.

Stressing the importance of unity among various nationalities, Jiang Zemin said: In various nations' society, when they strengthen unity, social stability prevails and all fields of endeavor flourish. This is a law of the historical development of society. In Hainan Tibetan Autonomous Prefecture and Huzhu Tu Autonomous County, hospitable Tibetan and Tu cadres and people welcomed the general secretary according to their ethnic custom. When they presented him with white scarves,

the smiling general secretary wished the ethnic groups happiness and prosperity in all endeavors.

While inspecting the Qinghai Salt Lake Research Institute, Qinghai Potassium Fertilizer Plant, Qinghai Engineering Machinery Plant, and Golmud Oil Refinery still under construction, Jiang Zemin said: Since the founding of the country, a large number of talented middle-aged and young people, in response to the call of the party and the government, left their homes in cities in the coastal and other regions for Qinghai, and made outstanding contributions to Qinghai's economic development and social advances. They gave no thought to personal gain or fame, and sought no easy life and comfort while quietly taking part in socialist construction. Their meritorious services are indelible, and their hard-working and self-sacrificing spirits are invaluable. It is hoped that more people like these unsung heroes who have quietly dedicated themselves to the cause of the party and the people will emerge in the great practice of reform and opening up and the modernization drive.

During his tour in Qinghai, Jiang Zemin visited local army commanders and fighters, public security cadres and policemen, and officers and men of armed police units, encouraging them to continue to work in a pioneering spirit in the highland, and make greater contributions to promoting unity between militarymen and civilians and between the army and the government, safeguarding local social stability, and pushing local reforms and development.

Accompanying Jiang Zemin on the inspection tour were Yu Yongbo, member of the Central Military Commission and director of the General Political Department; Zeng Qinghong, director of the General Office of the CPC Central Committee; Gan Ziyu, vice minister in charge of the State Planning Commission; Liu Jiang, minister of agriculture; Teng Wensheng, deputy director of the Central Policy Research Center; and Yu Xiaosong, vice minister in charge of the State Economic and Trade Commission.

Zou Jiahua Visits Inner Mongolia Projects

*OW2107142293 Beijing XINHUA in English 1351
GMT 21 Jul 93*

[Text] Hohhot, July 21 (XINHUA)—Zou Jiahua recently called on local officials in the Inner Mongolia Autonomous Region, in north China, to promote key basic projects in the fields of coal, electric power and transportation.

Zou, a member of the Political Bureau of the Chinese Communist Party Central Committee and vice premier of the State Council, made an inspection tour of key projects in Inner Mongolia between July 13 and 20.

Zou said local government officials should take overall control of the economy to give more financial support

and supply necessary materials to key projects and to ensure sustained and fast growth of the national economy.

Zou pointed out that enhancing a macro control does not mean an overall economic austerity, but rather the readjustment of industrial patterns. Control should be achieved by using economic mechanisms, including legislation. Administrative measures will be also used if necessary.

Zou also called on enterprise leaders to study market affairs and pay attention to technical progress in order to raise the productivity of enterprises and turn out high-quality and competitive products.

There are a dozen of key projects in Inner Mongolia in the areas of coal and power production. Financial and material support should be given to these projects to speed up their development, according to the vice premier.

Conference on Institutional Restructuring Held

Li Peng Letter Urges Stepped Up Reform

*OW2107142093 Beijing XINHUA in English 1354
GMT 21 Jul 93*

[Text] Beijing, July 21 (XINHUA)—Premier Li Peng has written a letter to a national conference on institutional restructuring, in which he calls for efforts to push forward the restructuring drive in an orderly manner.

Hu Jintao, a Standing Committee member of the Chinese Communist Party's Politburo, read Li Peng's letter to the delegates to the conference, which opened here today.

The premier said in the letter that the restructuring of the administrative system and government institutions is an important task in China's reform and economic construction in the 1990's.

He said the restructuring drive is designed to transform the functions of government agencies, streamline the administration, reduce staff and improve work efficiency.

That will facilitate the gradual introduction of a flexible, highly efficient administrative system that will have a reduced range of functions, a rational structure and a smooth operation.

Li said that the restructuring will be carried out under the guidance of Deng Xiaoping's theory of building socialism with Chinese characteristics, in line with the objective of establishing a socialist market economy and with the principle of separating the functions of the government from those of businesses.

Addressing the conference, Hu Jintao said that the restructuring is a "strategic measure" concerning China's socialist modernization and an urgent task for China's political reform.

"The restructuring is also essential to the deepening of the reform of China's economic structure, the creation of a socialist market economy and the acceleration of the country's modernization," he said. "It is also a need posed by reality to resolve contradictions and problems that have cropped up in the course of our advance."

In his report to the conference, State Councillor Luo Gan said that the restructuring of organizations of the party Central Committee and the State Council, China's highest governing body, is well under way and is scheduled for completion by the end of 1993. The restructuring of local party and government organizations at all levels will begin soon.

Local organizations at all levels are required to reduce their staff by around 25 percent, Luo told the delegates, who represent every section of the country.

Luo also stressed the importance of making appropriate and feasible arrangements for displaced workers. He said displaced workers should be encouraged to work in factories, service-oriented companies and grass-roots units.

Hu Jintao, Luo Gan Remarks Noted

HK2207033493 Beijing CHINA DAILY in English
22 Jul 93 p 1

[By staff reporter: "Government To Cut Staff 25 Percent by 1995"]

[Text] Local governments must lay off about 25 percent of their employees within the next three years as part of a massive restructuring effort, State Councillor Luo Gan said yesterday.

The layoff order extends the government's restructuring programme, begun early this year, from the central to the local level, Luo said at a national conference on restructuring.

Hu Jintao, a member of the Party's Political Bureau Standing Committee who chaired the conference, said that the Party and State Council view the restructuring programme as an essential part of China's reform and modernization and imperative for developing a socialist market economy.

Luo, who heads the Central Institutional Restructuring Committee, told the conference that the government restructuring programme, approved by the First Session of the Eighth National People's Congress (NPC) earlier this year, is being carried out smoothly. The central level of government restructuring is scheduled for completion by December.

"Now, the restructuring will be launched at the provincial and county level across China," he said.

Luo asked local governments to lay off about 25 percent of their staff—some 2 million employees—within the next three years.

Luo said that some officials might seek to skirt the required target by turning a government department into a company, and letting it play an administrative role. This practice must be banned, he said.

Luo urged the "surplus government employees" to find jobs in the production and service industries.

The conference participants, who came from across the country, will study ways to advance the restructuring programme and to solve the problems that arise.

They listened to a message from Premier Li Peng urging government officials to redouble their efforts to hasten the restructuring of the government.

The reasons for the change, expected to be completed by 1995, are to further separate government functions from those of enterprises, to trim government agencies and to improve the efficiency of government departments.

Beidaihe Forum Views Party Style, Clean Administration

OW2207060393 Beijing XINHUA Domestic Service in Chinese 0508 GMT 21 Jul 93

[By reporter Zhao Haibo (6392 3189 3134)]

[Text] Shijiazhuang, 21 Jul (XINHUA)—The Central Discipline Inspection Commission and the Ministry of Supervision recently held a forum at Beidaihe on intensifying education on party style and clean administration in some provinces and municipalities. The forum studied new ideas for strengthening education on party style and clean administration in light of new circumstances and problems arising from the process of developing a socialist market economy.

Participants in the forum noted: Our country is now moving from a planned economic system to a socialist market economy. This process has caused the two systems to overlap; we have yet to eliminate shortcomings in the old system while the new system is still in the making. Against this backdrop, quite a few units have relaxed ideological and political work and show varying degrees of neglect toward spiritual civilization in their pursuit of material civilization. This situation has been aggravated by incomplete laws and regulations, by certain vague policies and standards governing what is right and what is wrong, and by many weak areas and loopholes in our work and management. Most comrades have a poor understanding and command of laws governing the way the market economy operates, and they are inexperienced. This offers ample opportunities to people who are given to abusing their power for personal gain and to violating law and discipline, thereby creating even more acute prospects for improving party style, promoting clean administration, and fighting corruption.

The participants noted: Increasingly serious corruption has corroded the party ranks, tarnished the party's image and reputation, and disrupted the smooth process of

reform and opening up. Education is the principal means by which we keep up the fight against corruption among the broad ranks of party members. Over the long term, we need to deepen reform, improve the legal system, and conduct education if we want to overcome corruption. For this reason, we should, under all circumstances, educate the vast numbers of party members about the need to show honesty and self-discipline; to promote a hard-working, thrifty, and realistic spirit; and to fight ultra-egoism, mammonism, and hedonism. At present, we should stress education on the need to fight corruption and promote honesty. Beginning in the second half of this year and over the next year, discipline inspection and supervisory organs at all levels should devote sufficient time and manpower to collectively educating the broad ranks of party members and government functionaries on the need to fight corruption and promote honesty.

The forum noted: In conducting education on party style and clean administration under the new situation, we must further define our guiding thoughts and basic goals, serve the need to strengthen party building and ensure smooth implementation of the party's basic line, and follow the principle of emancipating our minds while seeking truth from facts and taking account of realities in reform, opening up, and economic construction. We should conduct education on party style and clean administration under the guidance of Comrade Xiaoping's theory of building socialism with Chinese characteristics and in strict accordance with the party's basic line. Through such education, we should inspire the enthusiasm and creativity of leading party and government bodies at all levels and the broad masses of party members and cadres to ensure that party and government policy decisions will be implemented correctly and effectively.

Fu Jie, member of the Central Discipline Inspection Commission Standing Committee, attended and spoke at the forum.

Forum Stresses Discipline Inspection, Supervision

OW2207103993 Beijing XINHUA Domestic Service in Chinese 0726 GMT 13 Jul 93

[RENMIN RIBAO reporter Jing Xianfeng (2529 7145 1496) and XINHUA reporter Hu Qinghai (5170 3237 3189)]

[Text] Beijing, 13 Jul (XINHUA)—The Central Discipline Inspection Commission and the Ministry of Supervision held a forum in Beijing today on discipline inspection and supervisory work in central state organs. The forum urged discipline inspection and supervisory organs under various central departments to spearhead supervision and inspection efforts, firmly punish corrupt elements, and foster clean party and government conduct in order to ensure the smooth implementation of government decrees, especially central policy decisions on macroeconomic regulation and control.

More than 130 leading cadres from discipline inspection and supervisory organs under various central departments attended the forum. At the forum, leading cadres from the Ministry of Foreign Trade and Economic Cooperation; the Ministry of Radio, Cinema, and Television; the Ministry of Posts and Telecommunications; and other units related their progress and experience in simultaneously combining their offices to handle official business and punishing corrupt elements. Hou Zongbin, deputy secretary of the Central Discipline Inspection Commission, and Cao Qingze, deputy secretary of the Central Discipline Inspection Commission and minister of supervision, attended and addressed the forum.

Participants in the forum said emphatically: Discipline inspection and supervisory organs under various central departments should seriously study and thoroughly understand the essence of the CPC Central Committee and the State Council's policy decisions on tightening macroeconomic regulation and control. They should reach a common understanding, act in unison, intensify supervision and inspection efforts, and ensure implementation of the decisions.

The participants maintained: Current lax discipline has led to serious acts of noncompliance with orders and prohibitions. Stricter supervision and inspection efforts have great practical implications for maintaining the party Central Committee and the State Council's authority, for ensuring smooth implementation of government decrees nationwide, and for promoting steady progress in reform, opening up, and economic construction.

The forum set four demands on discipline inspection and supervisory organs under various central departments regarding intensified supervision and inspection efforts. 1) Discipline inspection and supervisory organs under various central departments should spearhead supervision and inspection efforts and play a leading role in this respect. 2) They should stress key areas and supervise and inspect major problems in their own departments and organizations that affect and interfere with the implementation of central policy decisions and measures. 3) They should organically combine intensified supervision and inspection efforts with work aimed at investigating and prosecuting cases involving violations of laws and disciplinary rules, at curbing unhealthy practices in departments and businesses, at enacting and improving rules and regulations, and at strengthening ideological education. 4) They should brief the Central Discipline Inspection Commission and the Ministry of Supervision on their progress in exercising supervision and conducting inspections. From now on, they should hold such briefings every six months with the aim of institutionalizing this practice.

The participants stated: The effort to investigate and prosecute cases involving violations of laws and disciplinary rules is an important measure for running the party and government strictly and for penalizing corrupt elements; it is central to strict enforcement of discipline.

Discipline inspection and supervisory organs under various central departments should continue to investigate and prosecute cases involving violations of laws and disciplinary rules as a regular task of punishing corrupt elements. They should first handle cases in ministries and commissions; in the meantime, they should pay attention to typical and influential cases within their own ranks. They should encourage the practice of filing complaints, through the mail and in person, as a way of steadily expanding their collection of leads. They should institute a responsibility system for handling cases in order to improve their performance in this regard. They should relentlessly rein in unhealthy practices in departments and businesses and further improve party and government conduct. Through investigations and studies, they should identify the major problems in their departments and organizations, adopt special measures to solve these problems, and strive to achieve results.

Also in attendance were He Yong, member of the Central Discipline Inspection Commission Standing Committee and vice minister of supervision; Vice Supervision Minister Feng Tiyun; and Li Zhilun, member of the Central Discipline Inspection Commission Standing Committee and vice minister of supervision.

Political Bureau Decides To Maintain Reforms

HK2207034293 Hong Kong *THE STANDARD* in English 22 Jul 93 p 10

[Text] The Communist Party's decision-making body has decided to maintain capitalist-style market reforms despite conservative challenges over the economic chaos. And the conservatives now agree on the assessment of the current economic situation and the ways to rectify it.

The party Politburo has confirmed that the policy of free market reforms initiated by paramount leader Deng Xiaoping will continue even if the economy is in a grave situation. Chinese sources said the Politburo meeting reached a three-point conclusion on the current economic situation:

- The overall economy is generally encouraging;
- Contradictions and problems exist in the economic advancement, some of which are very serious;
- Speeding up the pace of reform and the building up of a socialist market mechanism as soon as possible are the only ways of tackling the current difficulties.

In a document distributed to senior central ministry and regional officials, the Politburo says China has experienced profound economic changes since Deng pushed further reform last year. The document says the country is on the right path to the socialist market economy and the pace of economic growth is picking up.

The document speaks of serious financial strains, grave problems in agriculture, bottlenecks in transport and

energy, poor performances of state enterprises, indiscriminate investment and unchecked price rises. But it argues that the party's reform and opening policies are not to be blamed for these problems as some of them are inevitable during economic development.

Qiao Shi Builds 'Clout' in Post-Deng Era Preparation

HK2107033293 Hong Kong *SOUTH CHINA MORNING POST* in English 21 Jul 93 p 12

[Report by Chris Yeung]

[Text] Senior Communist Party leader Qiao Shi is trying to build up his political clout in preparation for the post-Deng Xiaoping era, according to Chinese sources. A source said the Politburo Standing Committee member had become increasingly assertive on national affairs since he became chairman of the National People's Congress (NPC) in March.

Mr Qiao had tried to strengthen the role of the national legislature in deciding the law and democracy in the past few months. The source said: "The 'Qiao-Zhu' axis is coming," referring to a system centered around the NPC under the leadership of Mr Qiao and the State Council led by Zhu Rongji.

Mr Qiao left yesterday for Jakarta at the start of a goodwill visit to the five nations of ASEAN (Association of Southeast Asian Nations). The three-week trip is the first visit by a chairman of the Chinese parliament to member countries of the non-communist grouping.

In a rare move, the official New China News Agency (NCNA) [XINHUA] yesterday published a personal profile on the 69-year-old leader to coincide with his ASEAN tour.

The NPC leader echoed a remark made by patriarch Deng Xiaoping on the importance of the development of democracy in 1979, the NCNA said. Mr Deng had said democracy should develop through the political structure and legal system so that it would not change just because leaders and their views changed.

XINHUA Profile

HK2107143593 Beijing *XINHUA* Hong Kong Service in Chinese 0459 GMT 20 Jun 93

["Man in the News: Qiao Shi"—XINHUA headline]

[Text] Beijing, 20 July (XINHUA)—Qiao Shi, chairman of the Standing Committee of the National People's Congress [NPC], left Beijing today to visit the five ASEAN nations, including Indonesia, Malaysia, Singapore, Thailand, and the Philippines.

Since he was elected a member of the Standing Committee of the CPC Central Committee Political Bureau in 1987, Qiao Shi, who holds important posts and has made relatively rare public appearances, has become an

eye-catching figure at home and abroad. As the first chairman of China's NPC Standing Committee to visit the ASEAN nations, he has attracted great attention from people all the more.

Qiao Shi has been in charge of party affairs for a long time. He held concurrent leadership posts in political science and law, organization, and discipline inspection departments. He is a steady, calm, capable, and experienced man with military strategy at heart. When he was concurrently director of the Organization Department of the CPC Central Committee in 1984, he reformed the cadre system very competently and urged cadres to become "more revolutionary, younger in average age, and more knowledgeable and professional."

In early 1986, while investigating and handling "major and important cases" within the party under instructions, he was resolute in taking actions. He pointed out: We must be serious and earnest in this regard. No matter who is involved in a case, they must not "skirt around" contradictions. Nor should we absolve some people for their law breaking and criminal actions by using the labels of "bureaucratism" and "unhealthy practices." In the same year he was appointed vice premier of the State Council.

Qiao Shi's ancestral home is in Dinghai, Zhejiang. He was born in Shanghai in December 1924. He joined the CPC at 16. After the founding of New China, he underwent the path of entering politics—engaging in industrial construction—entering politics. In 1982 he was elevated to the post of director of the International Liaison Department of the CPC Central Committee, and, in 1983, he took over the job of director of the General Office of the CPC Central Committee, and then he was appointed director of the Organization Department of the CPC Central Committee. From 1987 he was a member of the Central Political Bureau, a Standing Committee member of the Bureau, a member of the Secretariat, secretary of the Central Commission for Discipline Inspection, and concurrently president of the Central Party School.

During the eight years when he was in charge of political science and law work, he stressed repeatedly: In realizing the second-step strategic goal of China's socialist modernization, one important condition is to continue to maintain a political situation of stability and unity and long-term social stability. Without stability, nothing can be accomplished.

Many people who have been Qiao Shi's colleagues for many years maintain: Qiao Shi is noted for attaching importance to investigation and study and placing great stress on soliciting various opinions in his work, differing opinions in particular. He treats people equally, frankly, and sincerely. Many people are ready to have heart-to-heart talks with him. If he has time, he visits many parts of the country. In the past few years, the

places he has visited most frequently are the poverty-stricken areas and remote border provinces and autonomous regions, and he also attached importance to the experiences of those areas open to the outside world. He stresses deepening reform, opening wider to the outside world, and seizing opportunities to carry out economic construction. He favors strengthening socialist democracy and building the legal system. He said that, as early as 1978, Deng Xiaoping stated: Democracy must be institutionalized and codified into law so that it will not change along with changes in the leadership and the leadership's views and attentions. This statement is of important, instructive significance.

He gets up and exercises in the early morning at 5 or 6 a.m. He does not smoke, nor he is addicted to drink. He works for 10 hours or so a day. He likes reading books with a wide range of contents. The books he reads most frequently are Marxist classics, classical literature, and history, in particular, modern and contemporary memoirs and biographies.... He is also very keen on calligraphy and Beijing opera, and, moreover, he has done some research on these. Sometimes, he snatches a little leisure from his busy life to write something on these things or to listen to classical music or arias from Beijing operas.

He is strict not only on himself but also on his family members, his sons and daughters, and his working personnel. He does not allow them to seek personal gain under his sign board [qi hao 2475 5714].

Deng Xiaoping's Instruction Cited for Soccer Camp

OW2207062193 Beijing XINHUA Domestic Service in Chinese 1503 GMT 21 Jul 93

[Excerpts] Beijing, 21 Jul (XINHUA)—The Seventh National Summer Camp for Soccer in 2002 opened at the Beijing Institute of Physical Culture this afternoon.

The summer camp, which is cosponsored by ZHONGGUO TIYU BAO [CHINA PHYSICAL CULTURE NEWS] and ZHONGGUO SHAONIAN BAO [CHINESE YOUNGSTERS' NEWS], with the assistance of the Beijing Institute of Physical Culture, is being held to more effectively implement Comrade Deng Xiaoping's instruction that "the development of China's soccer game should begin with children" and to prepare the country for the 2002 World Cup Soccer Tournament. Participating in the camp are 18 children's soccer teams from Beijing, Shanghai, Tianjin, Chongqing, Qingdao, Baoji, Fushun, and Canzhou, and the camp is organized by the Beijing and Shenyang Military Regions, the 1 August Film Studio, and other units. [passage omitted]

Zhang Caizhen, vice chairman of the All-China Sports Federation, and others attended the opening ceremony today. After the ceremony, teams of Beijing's Guoan Soccer Club staged an exhibition game for young campers.

The summer camp is to be held at the Beijing Institute of Physical Culture until 30 July.

Jiang Zemin Pens Masthead for Shanghai Paper

OW2207061993 *Shanghai People's Radio Network in Mandarin* 2300 GMT 9 Jul 93

[From the "Morning News" program]

[Text] DONGFANG CHENGXIANG BAO [EASTERN RURAL AND URBAN NEWS], a newspaper with the masthead written by Comrade Jiang Zemin, general secretary of the CPC Central Committee, will be inaugurated next month. A trial edition was published today. The predecessor of the paper is SHANGHAI JIAOQU BAO [SHANGHAI SUBURBAN NEWS], which was founded five years ago.

DONGGANG CHENGXIANG BAO will be the first comprehensive paper in the country focusing on the integration of urban and rural areas, as well as the process of rural modernization.

Jiang, Li Peng Inscribe for Population Association

OW2207062293 *Beijing XINHUA Domestic Service in Chinese* 1020 GMT 8 Jul 93

[By WEN HUI BAO reporter Tang Sifu (0781 2448 1788) and XINHUA reporter Shao Jianwu (6730 1696 2976)]

[Excerpts] Beijing, 8 Jul (XINHUA)—Jiang Zemin, Li Peng, Song Ping, Ni Zhifu, and Peng Peiyun wrote inscriptions for the China Association for the Promotion of Population Culture, which was inaugurated in Beijing today.

Jiang Zemin's inscription reads: Develop the population culture and advance the development of social civilization. Li Peng's inscription reads: Improve the population quality and promote the national culture. Song Ping's inscription reads: Develop Chinese population culture to benefit future generations and to rejuvenate the Chinese nation. Ni Zhifu's inscription reads: Develop the population culture to benefit future generations. Peng Peiyun's inscription reads: Create the population culture to advance social civilization. Also writing inscriptions for the association were Wang Shoudao, Yu Qiuli, Liao Hansheng, and Yang Chengwu. [passage omitted]

Song Ping was elected honorary chairman of the association; Peng Peiyun was elected chairman; and Lin Jiamei, Yu Lan, Wang Futang, Zhai Taifeng, Gao Zhanxiang, Yang Kuifu, and Tian Congming were elected vice chairmen. Ni Zhifu, Chen Muhua, Huang Hua, Wang Shoudao, Yu Qiuli, Liao Hansheng, and Yang Chengwu were appointed advisers to the association.

Li Lanqing Urges Mobilization Against Smuggling

OW2107153293 *Beijing XINHUA in English* 1509 GMT 21 Jul 93

[Text] Beijing, July 21 (XINHUA)—Vice Premier Li Lanqing today called for the mobilization of forces throughout the nation to resolutely crack down on rampant coastal and cross-border smuggling.

The measures are necessary, Li said, to maintain the sound development of China's economic reforms and opening to the outside world.

As head of the re-organized leading group on anti-smuggling under the State Council, Li stressed at the group's first working session today that strong measures will be taken to combat smuggling and other related crimes. Severe sanctions will be imposed on smugglers, especially those who operate in collusion with overseas gangs, those entrusted with enforcing the law but violate the law and those who severely harm society.

The original anti-smuggling coordination group was recently re-organized and renamed an anti-smuggling leading group, headed by Vice-Premier Li Lanqing.

The vice premier insisted on doing battle against smuggling in a comprehensive way, with various means, including legal, administrative, economic and educational measures. Li placed emphasis on building a healthy legal framework and arranging the market in an orderly way.

Li also said that a strong force to combat smuggling should be established.

Fujian Defends Treatment of Returned Illegal Immigrants

HK2207035893 *Hong Kong SOUTH CHINA MORNING POST in English* 22 Jul 93 p 10

[By a staff reporter in Fuzhou]

[Text] Fujian authorities yesterday defended their handling of repatriated illegal immigrants, claiming they had not violated promises to the United States that returnees would not be punished or fined.

A provincial government official yesterday confirmed that two groups of a total of 290 returnees had flown into Xiamen from Mexico on Monday and Tuesday, and were in custody after being taken to Fuzhou, the provincial capital. The official said returnees, most of whom were from villages close to Fuzhou and nearby counties, were being "accommodated" near the provincial capital.

"This is not imprisonment or detention," said the official. "The purpose of the arrangement is to ascertain their identity, investigate their link with the snakeheads and carry out medical checks."

The repatriation to China of about 650 illegal aliens started on Monday in a joint operation between the Mexican and U.S. governments. Before embarking on the repatriation exercise, the U.S. claimed that it secured a promise from Beijing that the returnees would not be punished or fined.

The Fujian official said the returnees would be held for a period of time, the length of which depended on individual cases. "This depends, among other things, on the performance of the returnees, their link with snakeheads and whether they are repeat offenders," he added.

He said under Chinese laws, snakeheads would be dealt with severely, while the returnees would be treated fairly. The official said some returnees would be made to pay cash penalties, which he claimed were necessary to deter other "would-be illegal immigrants".

"The cash penalty system was introduced to make efforts against illegal immigration more effective. Some of the money is used for the returnees' living and transportation expenses," he said.

Another official from a nearby town said repeated offenders would be held for a re-education through labour programme, or so-called laojiao, which he claimed was different from imprisonment. But the official admitted the cash penalties imposed could pose financial difficulties for the returnees and their families.

He said returnees from his town were required to pay 15,000 yuan (about HK\$20,235) to the Fuzhou branch of the People's Armed Police. About half the amount served as the penalty, while the remainder was used to pay for returnees' accommodation, food and transportation.

"The illegal immigrants had already lost tens of thousands of yuan to the snakeheads," he said. The official said the Government had no choice but to restore to such a deterrent against illegal immigration.

He said the most effective way to stop the smuggling of human cargo was to mete out heavy punishment on the snakeheads, who enticed residents into signing up for the risky voyages.

Tibetan Nuns Targeted in 'Reeducation Campaign'

HK2207030893 Hong Kong SOUTH CHINA MORNING POST in English 22 Jul 93 p 10

[Report by Robert Barnett]

[Text] The Chinese authorities in Tibet have begun a political re-education campaign in a leading nunnery near Lhasa as part of an apparent crackdown on Buddhist nuns, according to sources in the city. The campaign, which follows the arrest of 19 nuns last month, appears to be designed to deter the women from leading further pro-independence protests after several days of unrest in Lhasa in May.

The nunnery at Garu, five kilometres north of the Tibetan capital, has been a centre of pro-independence activity since December 19, 1987, when 20 nuns led the first of nearly 50 pro-independence protests that have since been staged by nuns in Lhasa. Twelve women from Garu, including a 15-year-old girl, Gyaltsen Pelsang, were arrested on June 14. They were not staging a protest at the time, according to several preliminary reports. The arrests, which took place on the same day as the opening in Vienna of the World Conference on Human Rights, were widely interpreted in Lhasa as "a symbol of official contempt for the UN Conference", said a source.

On June 15, five nuns were arrested in Barkhor square in the old city of Lhasa. They were stopped before beginning any demonstrations, but had Tibetan flags in their bags, according to one report. Two other nuns from Garu, Ngawang Yangkyi and Gyaltsen Tsultrim, were arrested in Barkhor on June 4. Their protest lasted only a few minutes before the women and at least four men were arrested, according to tourists.

A political education unit is expected to move into Garu nunnery this week to begin intensive political re-education. A well-placed source in Tibet said the composition of the work team indicated that its tactics would be persuasion rather than intimidation at this stage.

"If this fails, the whole institution could be disbanded and the inmates made to return to their homes," said the source.

At the same time it has been revealed that 12 nuns from Garu have received prison sentences of up to six years for taking part in a peaceful demonstration around the Potala Palace a year ago, according to unofficial sources in Lhasa. Two Garu nuns, Lobsang Choekyi and Ngawang Rigdrol, both 21, have been sentenced to six years each for their part in the protest on June 22, last year, when the nuns carried a forbidden Tibetan flag around the former residence of the Dalai Lama.

New Column Features Outstanding Village CPC Secretary

HK2107020693 Beijing RENMIN RIBAO in Chinese 6 Jul 93 p 1

["Heroes of Today" column by staff reporter Chen Zhi (7115 1807): "Hao Jinran, Leader in Arduous Pioneer Work"; first three paragraphs are RENMIN RIBAO editor's note]

[Text] Dear readers, we publish for you the "Heroes of Today" column today. The person in the photo is called Hao Jinran. He was once the secretary of the CPC branch of a poor village on the North Shandong Plain. He led the villagers in arduous work and succeeded in building the poor village into a socialist "star village." At present, he is the secretary of the CPC Committee of the township where that village is located. He is also a National Agricultural Model Laborer. Our readers can

see from the photo the graceful bearing of this contemporary agricultural model laborer.

In the course of reform, opening up, and modernization, numerous advanced and exemplary people have emerged one after another on all fronts. They are indeed splendid stars. They are the pride of our times and are examples for the broad masses of cadres and people to learn from. Their glorious deeds and heroic images should of course take up some space in the newspaper. Beginning from today, RENMIN RIBAO will carry in the "Heroes of Today" column news photos of activities of national-level heroes and model figures and present from various angles to our readers the images of these heroes and model workers. Contributions of such photos are welcome. Each photo should be accompanied by an explanation of about 200 characters. The explanation need not cover everything, but should be realistic, concrete, vivid, and touching.

The times produce their heroes. When we put photos of "Heroes of Today" together, the readers can then see a community of heroes and can from this angle understand why the cause of socialist modernization in China is so vigorous and flourishing. We hope our readers will like this column and give it their support.

One day in May this year, Hao Jinran, secretary of the CPC Committee of Zhaihao Township, Boxing County, Shandong Province, with loudspeaker in hand, was accompanying a delegation for studying the economic development of the Huang He Delta. He was briefing the delegation as he walked. (as shown in the photo)

When he was 26 years old, Hao Jinran led the people on the North Shandong Plain in doing pioneering work on isolated islands and barren beaches. They built and operated kilns, and on several occasions he was so exhausted that he fainted at worksites. The kilns earned an annual profit of 600,000 yuan and laid a foundation for the whole village to shake off poverty and become rich. Several years later, the rural credit fund and the economic cooperation entity were established one after the other. He then set up an agricultural, industrial, and commercial cooperative consisting of 36 enterprises with construction, building materials, paper-making, and wine-brewing as the leading trades. Water conservation, mechanization, and intensive farming were carried out in agricultural production. Poor households became something of the past. The villages said good-bye to their adobe houses one after another. He himself was also among the last batch of villages to move into new houses. In January last year, Hao Jinran, secretary of the CPC Branch of Zhaihao Village who was nearly 40 years old, was appointed secretary of the CPC Committee of Zhaihao Township, breaking the general rule.

A well-known saying of Hao Jinran goes: "I become rich after the masses and feel happy when the masses are rich." At present, this formerly bleak and barren village in which per capita income was less than 100 yuan, is now carrying out an ambitious plan for achieving a gross

industrial and agricultural production output value of 120 million yuan and a per capita distribution of 1,600 yuan. Hao Jinran himself is also gloriously awarded the title: "National Agricultural Model Laborer."

Article Views Growth of Radio Call-In Shows

OW2107121193 Beijing ZHONGGUO JIZHE in Chinese No 6, 15 Jun 93 pp 20-22

[Article by Xu Guoping (1776 0948 1627): "New Style in Broadcast: Telephone Hot Line"]

[Text] In the wake of the popular trend of the expansion of pages and editions by newspapers and of the inauguration of weekend editions, our country's broadcasting circles have also been silently undergoing a change in recent years. The fruitful results of this change are increasingly apparent as large numbers of listeners have returned to the use of radios. Its main features are comprehensive reform through the introduction of telephone hot lines and opening telephone call-in programs. The telephone call-in has played an extremely important role in new programs and has had a profound influence on the method, function, and effects of broadcasting. It is like a powerful spring wind, and it has opened "splendid vistas" for broadcasting circles.

History and the Current Situation

It has now been 30 years since the development of the telephone hot line. Initially, it was a kind of special communications method and usually used for emergency communications between heads of governments or between high-level military commands. Since the 1960's, government organizations and social establishments in some countries have started to obtain information from the society and installed open telephone lines to provide public services for the people. The people also called this a "telephone hot line." Later, the telephone call-in hot line was used extensively by broadcasting stations all over the world and has become an integral part of radio broadcasting.

Since the Third Plenary Session of the 11th CPC Central Committee, radio stations in China have adopted an active "policy of introducing" the telephone call-in hot line. In 1985, the English division of China Radio International twice broadcast programs that were not prerecorded and answered listeners' questions from abroad through international phone calls then and there. However, the earliest regular telephone call-in program broadcast is the "Telephone Hot Line" of Guangdong's Zhujiang Economic Radio which started broadcasting on 15 December 1986. Currently, there are a considerable number of economic radio stations in various localities. Most of them have set up different types of telephone call-in programs and columns.

In terms of the mode of propagation, call-ins may be directly broadcast or prerecorded. In direct broadcasting, telephone hot line may be installed in the studio and, by keeping the line on during the program, carry the

telephone conversations live or broadcast them a few seconds after they have been recorded. Most radio call-in programs are broadcast live. In prerecorded mode, telephone hot line will be installed out of the studio—in the editorial room, for example. The host or the editor will receive and record incoming calls during designated time and air the edited telephone conversations during the program. For instance, the hot lines of the Shanghai Station's "High School Students' Call-In" are on the air every Saturday afternoon from 1400 through 1700 and the edited telephone conversations are broadcast on Sundays. These two modes have both advantages and disadvantages. The prerecorded mode is not subject itself to time limitation, thus enabling its host to select recordings with better effects for broadcasting, while the live broadcasting mode may be more appealing as listeners can simultaneously involve themselves in the radio program.

Judging from the content of conversations, call-in programs may be divided into three categories:

Cultural and Entertainment In most cases, this may turn out to be a radio station's most lively and popular program as listeners may, by calling-in, request literary and art programs and take part in games, quizzes, and question-answer activities organized by the station. The Beijing Music Station's "Call-In Song Requests"; "The Games Train," a children program presented by the Nanjing Economic Station; and the Hubei Shashi Station's "Merry Call-In" are examples.

Public Services This category may be further subdivided into four:

1. Psychological consultation: The host, through heart-to-heart telephone conversations, may play the role of providing spiritual enlightenment and psychological consolation to listeners by helping them clear psychological barriers and solve knotty problems emerged in interpersonal relations. The "Call-In" of the Central Station's "439 Studio," the Shanghai Station's "High School Students' Call-In," and the Guangdong Fushan Station's "Late Night Heart-to-Heart Talks" fall under this category.

2. Expressing feelings: Knowing well that people tend to have a desire to express their feelings, radio stations provide listeners with an opportunity to express their feelings openly. The "Call-In Lovers' Island," a special program of the Changzhou Station's program two, provides lovers in different places to express their inner feelings through call-in. Via the "Air Message," a listener in one place may convey his or her sincere regards to a listener in another place.

3. Community services: Call-in programs, such as the Changzhou Station's "Clinic in the Air" and "Shopping Guidance in the Air," Nanning Station's "Lawyer Wang's Office," provide day-to-day consultation service to the masses, serving as advisers and assistants in their daily life.

4. Voicing Complaints: Hosts of Nanning Station's "Consumers' Complaints," the "Hot line for Patrons of Health Services" program once introduced by Anhui Station and Nanjing Economic Station's "Citizens and Public Servants" help listeners solve problems.

Public communication Under this category, radio stations promote communication among people in society by inviting leading cadres, celebrities, star actors and actresses, and heroic model figures into studios to be interviewed directly by listeners via telephone. Examples are Changzhou Radio's "Public Servants' Special Line," Zhujiang Economic Station's "Telephone Calls for Celebrities," Beijing Economic Station's "Big Stars," and Nanjing Economic Station's "Guest-of-Honor for Tonight." Radio stations frequently introduce hot topics among the public. Listeners call in to discuss and exchange views with program hosts, reporters, and authoritative persons, thus promoting even broader interflow of wisdom among people in society. Examples are Guangdong Radio Station's "Social Forum," Zhanjiang Radio Station's "Topic of the Week," and Nanning Radio Station's "Hot Points on Hot Line."

After discussing the history and types of programs, we can now make a simple definition for call-in telephone services. First, numbers of call-in telephone services must be made public and such services must be geared toward the vast number of listeners. Second, telephone conversations must be aired live or prerecorded.

Changes Created in the Modes and Effects of Communication

The telephone is undoubtedly a medium for transmitting information. But what kind of communication medium exactly is it? Books on communication science define interpersonal communication as "face-to-face exchange of information between individuals." In this context, telephone conversations have not only been excluded from interpersonal communication, but also from all communication conduct. The main characteristics of interpersonal communication finds expression in a one-on-one exchange of information. Telephone communication is interpersonal communication, and the telephone is the medium for such communication.

Radio stations are mass communication media. Why is it that the two different media, the telephone and the radio station, find each other so compatible? The answer is that they possess similar physical characters: They are both media of sound, using sound as the carrier of information, and thus, they have the same mode of information transmission, characterized by sound waves—electric wave—sound waves. Moreover, they are both a media of time and they are not affected by the space factor.

After combining the use of telephone and radio stations, radio stations have become the only media possessing the dual advantages of the functions of public and

interpersonal communication. The communication modes and effects of radio broadcast have undergone profound changes.

First, radio broadcasting has been changed from one-way to two-way mass communication. This has greatly enhanced the effects of communication. The so-called one-way communication refers to lack of timely feedback and difficulty in collecting feedback information, resulting in an unfavorable situation where broadcasts are only heard without any feedback. Since radio stations began to use call-in telephone services, program hosts can immediately understand listeners' needs and responses. Based on this information, they can then broadcast follow-up information pinpointed at listeners' needs to enhance the publicity effect. The science of communication also shows that mass communication not only has notable effects in reinforcing the recipients' original stand, but it lags far behind interpersonal communication in changing the recipients' attitude. In interpersonal communication, people use linguistic symbols and non-linguistic symbols such as intonation and exchange of feeling to achieve the objective of mutual understanding. Therefore, with the introduction of call-in telephone services, the persuasive effects of phone services have been greatly enhanced. A teenage girl who ran away from home called Ding Zi, Nanning Radio's call-in program host, to voice her difficulties and ask for help. Because of Ding Zi's caring persuasion and enlightenment, the girl broke down and finally returned home. She said that she could never forget Ding Zi who pointed her in the right direction.

Second, call-in has created the gratifying situation where listeners can get involved in broadcasting. Currently, many radio stations feel that the public does not care about them very much. Some stations even have exhausted their sources of radio scripts. The only outlet for this predicament is wider dependence on social strength and pooling the wisdom and efforts of the masses to better run a program. Call-in is undoubtedly an effective way to forge a closer tie between the broadcasting industry and the masses. By the end of last year when it completed more than 30 sessions, "The Special Sunday Programs" introduced by Hubei's Xiangfan Station since 19 May 1991 received 8,640 calls and 11,540 letters from listeners, with 1,250 people participating in the program.

Moreover, when the voice of the masses is added to broadcasting, a voice medium, its characteristics become even more prominent. "Broadcasting is the concourse of voices" and voice serves as the only medium between radio stations and their listeners. In the past, however, broadcasting voice was basically the monotonous tone of the announcers in standardized Mandarin. Call-in brings all sorts of voices from the masses to broadcasting, adding rhythms, varieties, and sensations to broadcasting voices that touch listeners' hearts. With its special effect in transmitting a message, voice has strong convincing power that makes broadcasting even more special, reliable, and touching.

Fourth, listeners' easy, prompt, direct participation in broadcasting programs has made radio station a mass medium with the highest participating rate. Currently, public participation has been mostly indirect with relatively few direct participation. It is very inconvenient for members of the public to physically appear at a specific place (studio or location) in order to have the contents of their letters or messages accurately relayed in television or radio programs. Radio stations' call-in programs provide a ready and convenient channel for listeners to directly participate in radio programs, enabling the public to involve themselves directly in mass media activities no matter where they are. Listeners participating in Guangdong News Station's "Social Forum" telephone discussions made their calls from homes, offices, schools, hotels, streets, or even from portable cellular phones while on a hurried journey. As direct participation has been made so simple and easy, members of the public would like to seek the greatest satisfaction from broadcasting.

The Effects on Broadcast Functions

Call-in telephone services have also produced relatively good social results by giving full scope to the functions of radio broadcasting.

The call-in telephone services have further improved the timeliness of radio news reports. Timeliness of radio broadcasts is the strongest among the mass media but its potential has yet to be fully tapped. Currently, some radios use call-in services in their live news programs to link the latest news sources with listeners without the restrictions of time and space, thereby raising the timeliness of radio news reports to a new level. News that has just broken can be broadcasted from news sites via hot lines for quick, concurrent reporting. In a bid to be the earliest to broadcast news during the Asian Games in Beijing, the Beijing Economic Radio Station linked the telephone lines of its studio with those of the Asian Games reporting team. It was ahead of many local news units in reporting the first gold medal won by our country. Radio stations can use hot line telephones to interview people in the news to obtain the latest information. During the flood disasters in 1991, Zhangzhou Radio's second program used call-in services to report on situations at train stations and piers every morning, and to promptly broadcast changes in services of buses, express buses, trains, and ships. The reports were most welcomed by listeners.

As vehicles of public opinion, radio stations have been more convenient and effective in providing supervision. There are two main patterns of using call-in telephone services for providing supervision through public opinion, with the first being the introduction of call-in programs for listeners to voice their complaints. Listeners can directly raise their problems, criticisms, and pleas. For these programs, radio stations normally invite relevant leaders to their studios to handle complaints from telephone calls. As announcements have been made on the leaders to be invited, listeners' questions are

relevant and easily solved. As the two parties talk in an atmosphere of interpersonal exchange, it is easy to achieve communication and understanding. Second, criticisms made during call-in programs are from the listeners, not from the stations, and so they are genuine and reliable. Disputes of right and wrong are avoided. The Tianjin Economic Radio's "Good Morning, Tianjin" program introduced a "call-in telephone" service for the municipal leaders to directly answer listeners' questions. It helped to solve some 120 problems of the masses in just 15 days. Since its inception more than a year ago, the Guangdong Radio's "Social Forum" program has successively introduced topics such as "When is the end to Guangzhou's traffic congestion?" and "Startling wastefulness" to arouse listeners' discussions. It has achieved very good social results. These programs normally attract various public opinions quickly and offer more in-depth analysis on solutions to problems.

Call-in telephone service programs have played special roles in guiding and educating the masses. The Nanjing Economic Radio's "Tonight's Guest-of-Honor" program frequently invites heroic models who have made selfless sacrifices for society, such as Jin Qingmin, the first woman scientist to reach the South Pole, and Shi Guang, who became disabled by bravely fighting off criminals. These reports are usually very moving. During an interview with Zhou Chao, a model people's police officer, and his wife, a listener asked his wife: Do you complain when Zhou Chao has to work many hours of overtime in a year and has very little time for home? She replied: "I am the wife of a people's police officer and an ordinary woman. My greatest wish is that the three family members can eat a meal together, but even this is impossible." She could not continue at this point, and the studio was very quiet except for the sound of her sobs. Moments later, the listener said: On behalf of my wife and all my relatives and friends, I would like to thank you. These true and moving incidents have subtly influenced listeners, and it is hard to achieve the effects of these self-education for the people in other programs. Some telephone discussion programs on the radio have also played very prominent role in providing spiritual guidance to the masses. Various viewpoints are vigorously exchanged in programs with hosts firmly guiding discussions in correct directions. When everyone has finally obtained a common understanding, the correct concept is then deeply entrenched in the people's hearts. The Guangdong Radio's "Social Forum" has successively introduced a series of discussions such as "Is Lei Feng's spirit obsolete?" and "How to be a civilized Guangzhou resident?" All these discussions have made people ponder deeply, provided inspiration in thoughts, and cultivated the people's moral concepts.

Although the use of call-in telephone services has only seven or eight years of history in our country's broadcast circles, it is worth pondering the influence they have brought to the circles.

Sociologists Say Market Economy Not Linked to Crime

HK2007120293 Beijing ZHONGGUO XINWEN SHE
in Chinese 1023 GMT 6 Jul 93

[Text] Beijing, 6 Jul (ZHONGGUO XINWEN SHE)—A number of sociologists attending a forum on juvenile delinquency today said that the market economy does not necessarily bring about crime.

"The Juvenile Delinquency and Moral Building Academic Forum" sponsored by the China Contemporary Society Research Center, among other organizations, was held today. Specialists attending the forum maintained that the establishment of the market economic structure is conducive to promoting the exchange of equal values, fair competition, equality, and mutual assistance, and is not necessarily the root cause of crime. On the contrary, it can enhance the establishment and development of new ethics in society.

At the same time, however the sociologists were full of worry because statistics have shown that the rate of juvenile delinquency in the 1990's has increased 1.26 times since the beginning of the 1980's.

Professor Tian Sen, president of the China Contemporary Society Research Center, delivered the his keynote speech at the forum and said that the new characteristics of juvenile delinquency are as follows: Offenders are younger in age, the percentage of female offenders is increasing, the number of mobile offenders is increasing, crimes involving gangsters are increasing, the degree of desperation is higher, the percentage of crimes committed in urban areas is rising, and the number of crimes committed by underground societies and transnational gangs is increasing.

Analyzing the causes of juvenile delinquency, Professor Tian said: First of all, Chinese society is experiencing a deepening of reform. The old social norms have been weakened, but the new ones have yet to be consolidated. Great changes have taken place in the concept of value. Money and commodity worship has corroded people's minds and has affected people's behaviors. Moreover, backwardness in education has given rise to approximately 300 million illiterate or semi-literate people, and illiteracy has been linked with ignorance of the law.

Cui Naifu, Cai Cheng, Zhu Houze, Chen Hansheng, Epstein, Ke Luke, and several dozen other sociologists and specialists in teenagers' issues attended today's forum. They unanimously called for paying great attention to the moral education of teenagers so that good social practices can be formed among the Chinese at a time when the new market economy structure has entered its operational period.

State Aims To Have 150,000 Lawyers by Year 2000

HK2207040893 Beijing CHINA DAILY in English 22 Jul 93 p 3

[By staff reporter Chang Hong: "State Aims To Triple Number of Lawyers"]

[Text] China plans to triple the number of its lawyers from the present 50,000 to 150,000 by the turn of the century, according to a senior judicial official.

To this end, the Ministry of Justice will encourage the establishment of self-contained law offices that are financially independent from the government, said Zhang Xiufu, Deputy Minister of Justice.

China now has 4,100 law firms with 50,000 lawyers. Most law offices are government-financed and their recruitment plans are regulated by the government.

Speaking at a press conference yesterday in Beijing, Zhang said his ministry has decided to speed up reform of the country's judicial system to meet the demands of a market economy.

He said the market-oriented economic system has created favourable circumstances for the development of law firms, notary offices and other legal services.

Zhang said just 2.9 percent, or 140,000, of the country's 5 million enterprises have hired lawyers as consultants and only a limited number of lawyers appear at court as defence lawyers for litigants in civil cases and business disputes.

In 1992, Chinese courts heard 2.07 million civil cases and 690,000 business disputes. Lawyers were hired in just one-tenth of the civil cases and one-fourth of the business cases.

"This is a far cry from the needs of a market economy and the requirements for building democracy and legal construction," Zhang said.

He quoted Chinese President and Party Secretary Jiang Zemin as saying that China needs at least 300,000 lawyers.

He said the number of lawyers will reach 75,000 by the end of 1995. In addition, the number of notaries public will grow from the present 10,000 to 30,000 by 2000.

Zhang said his ministry would actively promote the growth of law firms that are responsible for their own revenue and expenditures and recruitment of staff.

There are some 200 such law offices across the country now.

Zhang said the Ministry of Justice will delegate some management authority to lawyers or notaries associations to help law service agencies become more independent.

While absorbing more professionals into legal services, those who are qualified as lawyers are welcomed to work part time, he said.

Zhang added that the systems of lawyer credential examinations, training and granting of professional titles are to be improved, he said.

To ensure the honesty of lawyers and other service workers, Zhang said the Ministry of Justice has worked out a package of measures to curb misconduct in the profession.

Included is a ban on prison authorities' arbitrary raising of funds from inmates and their families.

Justice officials holding responsible positions are barred from taking posts in business organizations and law services.

Also at yesterday's press conference, Zhang announced that the spokesmen for the Ministry of Justice will now make a practice of giving news briefings.

Deputy Minister Zhang Geng and Jia Jingping, director of the ministry's Publicity Department, have been designated the spokesmen.

NPC Standing Committee Adopts S&T Progress Law

OW1907121993 Beijing XINHUA Domestic Service in Chinese 2107 GMT 3 Jul 93

[Text] Beijing, 4 Jul (XINHUA)—"The Law of the People's Republic of China on Scientific and Technological Progress," adopted at the Second Session of the Eighth National People's Congress Standing Committee on 2 July 1993

Chapter I. General Provisions

Article 1. This law is enacted in accordance with the Constitution to promote scientific and technological progress, give priority to developing science and technology in socialist modernization, bring into play the role of science and technology as a primary productive force, and push science and technology to serve the needs of economic construction.

Article 2. The state adheres to the basic principle of relying on science and technology to carry out economic construction and social development and of gearing science and technology work to the needs of economic construction and social development.

Article 3. The state safeguards freedom in scientific research and encourages scientific exploration and technological innovation to raise science and technology to the world's advanced level.

The state and the entire society shall respect knowledge, talents, and the creative labor of scientific and technological workers, and shall protect intellectual property rights.

Article 4. The state shall, based on the needs of scientific and technological progress and socialist market economy, reform and perfect the management system of science and technology and establish a mechanism for the effective integration of science and technology and the economy.

Article 5. The state encourages activities designed to promote scientific research and technological development, popularize and apply scientific and technological achievements, transform traditional industries, develop hi-tech industries, and apply science and technology to serve the needs of economic construction and social development.

Article 6. The state shall disseminate knowledge of science and technology and raise the scientific and cultural standards of its citizenry.

The state encourages organs, enterprises, institutions, social groups, and citizens to take part in and support scientific and technological progress activities.

Article 7. The State Council shall draw up science and technology development plans, determine major scientific and technological projects and other major projects closely related to science and technology, and ensure harmony between scientific and technological progress and economic construction and social development.

In drawing up science and technology development plans, determining major scientific and technological projects and other major projects closely related to science and technology, and ensuring harmony between scientific and technological progress and economic construction and social development, the state shall fully listen to the views of scientific and technological workers and adhere to the principle of scientific decisionmaking.

Article 8. The State Council's science and technology administrative department shall be responsible for the macro management and overall coordination of the entire nation's scientific and technological work. Other administrative departments of the State Council shall be responsible for work related to scientific and technological progress within the limit of the responsibilities defined by the State Council.

Local people's governments at all levels shall adopt effective measures to push forward scientific and technological progress.

The state shall help minority nationality areas and outlying and poverty-stricken districts accelerate the development of scientific and technological undertakings.

Article 9. The Government of the People's Republic of China shall actively develop scientific and technological cooperation and exchange with foreign governments and international organizations and encourage research and development organizations, institutions of higher learning, social groups, and scientific and technological workers to establish various forms of cooperation with scientific and technological circles abroad.

Chapter II. Science and Technology, Economic Construction, and Social Development

Article 10. The state shall encourage research and development of new technology, new products, new materials, new techniques, proposals for rationalization, technical improvements, and technical cooperation to improve product quality, increase labor productivity and economic returns, and develop social productive forces.

Article 11. The state shall select projects significant for economic construction, organize scientific research and technological development on their behalf, and accelerate the promotion and application of scientific and technological achievements in the sphere of production.

Article 12. The state shall establish and develop technology markets to promote the commercialization of scientific and technological achievements. Trading of technologies shall be conducted on a voluntary, equitable, reciprocal, compensatory, and trustworthy basis.

Article 13. The state shall count on scientific and technological progress in expediting economic construction and social development, controlling population growth, improving population quality, rationally developing and exploiting resources, preventing natural disasters, and protecting the living and ecological environment.

Article 14. The state shall count on scientific and technological progress in revitalizing the rural economy, promoting the use of agricultural science and technology, and developing modern agriculture marked by high output, high quality, and high efficiency.

Article 15. Local people's governments at and above county level shall take measures to protect the autonomy of institutes engaged in research, development, and the demonstration of agricultural science and technology to control and use experimental bases and capital goods and carry out research, development, tests, and popularization of new species and new technology.

Services relevant to the application and popularization of agricultural science and technology shall be compensatory or noncompensatory according to legal regulations.

Article 16. Local people's governments at all levels shall encourage and support the establishment of mass organizations of science and technology in rural areas to provide farming operations, forestry, animal husbandry, and fishery with comprehensive, socialized scientific and technical services before, during, and after production.

Article 17. The state shall count on scientific and technological progress to develop industrial production, communications and transportation, postal and telecommunications services, geological prospecting, building and installing services, and commercial trades, and to increase their economic results and social results.

Article 18. The state shall encourage enterprises to establish and improve technological development organs, and encourage enterprises to establish ties with

research and development organs and schools of higher education in an effort to expand their capacity for research and development, intermediate testing, and industrial testing.

Article 19. In accordance with needs of markets at home and abroad, enterprises shall renovate their technology, upgrade their equipment, improve their scientific management, and assimilate and develop new technology in an effort to be more competitive in the market.

Prior to upgrading their technology and importing advanced technology and equipment from abroad, enterprises shall carry out feasibility consultations and studies and implement the state's industrial policy and technology policy.

Enterprises using new technology to develop and produce new products are entitled to preferential treatment according to state regulations.

Article 20. The state shall count on scientific and technological progress to develop science and technology for national defense, expedite modernization of national defense, and reinforce national defense.

Article 21. The state shall encourage the use of advanced science and technology to promote the development of education, culture, public health services, and sports.

Chapter III. High-Technology Research and High-Technology Industries

Article 22. The state shall promote high-technology research and bring the role of high-technology into play in guiding scientific and technological progress. The state shall support and promote the establishment and development of high-technology industries, rebuild traditional industries by means of high technology, and bring the role of high-technology industries into play in economic construction.

Article 23. State Council departments in charge of science and technology and other relevant administrative departments shall organize scientific and technological forces throughout the country to take part in high-technology research and popularize achievements of high-technology research.

Article 24. Areas equipped with the necessary conditions are to be selected for the establishment of a new and high technology industrial development zones with the State Council's approval.

Article 25. Preferential policies provided for by the state shall be applied to research development institutions and enterprises engaged in the development or production of high-technology products inside or outside new and high technology industrial development zones. Specific rules for the implementation of such policies shall be stipulated by the State Council.

Article 26. The state encourages and guides enterprises engaged in the development, production, and dealing of

high-technology products to establish a management system conforming to international standards, to manufacture high-technology products in line with international norms, to take part in competition in the international market, and to advance the internationalization of high-technology industries.

Chapter IV. Basic Research and Applied Basic Research

Article 27. The state shall guarantee the sustained and steady development of basic research and applied basic research to strengthen the foundation for scientific and technological progress.

An appropriate ratio shall be maintained between the funds for basic research and applied basic research and the total expenditure for research and development.

Article 28. The State Council's administrative departments in charge of science and technology are to make planned arrangements for the major basic research topics in connection with economic and social development.

Research development institutions, schools of higher learning, enterprises, other organizations, and citizens may select their own topics when they engage in basic research and applied basic research.

Article 29. The state shall establish natural science funds and, based on experts' assessments and the principle of selecting the outstanding ones for support, give financial support for basic research and applied basic research.

The state shall support scientific research projects launched by outstanding young people, and its natural science funds shall include funds for supporting young people's science programs.

Article 30. The state shall support the construction of key laboratories and establish bases of basic research and applied basic research.

Chapter V. Research and Development Organs

Article 31. The state shall, in accordance with its needs of economic development and scientific and technological development, make overall planning and provide guidance for the layouts of scientific and technological research and development organs and for the establishment of a modern system of scientific and technological research and development.

Article 32. The state shall support, in terms of budgets and equipment for experiments, research and development organs and schools of higher education engaging in basic research and applied basic research, high-technology research, major construction project research, research on brainstorming major scientific and technological projects, and research on priority scientific and technological issues of public interests.

Article 33. The state shall encourage and guide research and development organs engaging in technological development to develop technologies individually, or work with enterprises and establishments, for the purpose of promoting integration of technological research and industrial and trading operations, or integration of technological, agricultural, and trading operations.

The state shall encourage and guide research and development organs providing public services through scientific and technical consultations or information to gradually operate like enterprises and provide compensatory services.

Article 34. Research and development organs shall institute a system under which their presidents or directors shall take charge. In accordance with relevant state regulations, research and development organs enjoy autonomy in the fields of research and development, production operations, use of budgets, establishment of organs, and hiring of personnel.

Article 35. The state shall encourage social communities to establish research and development organs and make sure their legitimate rights and interests will not be violated.

Article 36. Research and development organs may, in accordance with the law, invest in overseas for the establishment of overseas branches.

Overseas institutions and individuals may establish research and development organs in China according to law, and they may also cooperate with research and development organs and other institutions in China in setting up joint ventures or Sino-foreign cooperative research and development organs.

Chapter VI. Science and Technology Workers

Article 37. Science and technology workers are a major force in socialist modernization. The state shall upgrade science and technology workers' social status through various measures, train all types of scientific and technical specialists through various ways, and give full scope to science and technology workers' roles through creating favorable conditions and environment for them.

Article 38. People's governments at all levels and enterprises and institutions shall adopt measures to gradually increase the pay of scientific and technological workers and improve their working and living conditions. Scientific and technological workers who made outstanding contributions shall be provided with good wages and benefits.

Article 39. People's governments at all levels and enterprises and institutions shall create an environment and conditions for the rational flow of scientific and technological workers to enable them to display their talents.

Article 40. Scientific and technological workers who conduct research in basic theoretical and applied science, high technology, major engineering projects, special scientific and technological projects, or key scientific and technological projects benefiting the general public; and who work in poor rural areas, ethnic minority areas, or in an adverse, dangerous environment shall be given allowances in accordance with state regulations.

Article 41. The state shall implement a system of professional and technical titles. Scientific and technological workers may obtain professional or technical titles corresponding with their academic standards, professional skills, and work performance.

Article 42. Scientific and technological workers have the right to establish or take part in scientific and technological societies in accordance with the law.

Scientific and technological societies shall play a positive role in promoting the establishment of academic disciplines, disseminating knowledge of science and technology, training specialized personnel, providing consulting services, encouraging academic exchanges, and safeguarding the legitimate rights and interests of scientific and technological workers.

Article 43. The state encourages scientific and technological workers residing abroad to return to the country to take part in socialist modernization or serve the country's construction needs in other forms.

Article 44. Scientific and technological workers shall observe professional ethics, fulfill their responsibilities, and work hard to improve their scientific and technological standards.

Chapter VII. Measures Safeguarding Scientific and Technological Progress

Article 45. The state shall gradually increase the overall level of its budgets for science and technology. The country's research and development budget shall account for an appropriate percentage of its GNP and shall gradually increase this percentage commensurate with its scientific and technological, economic, and social development. The specific ratio between the country's research and development budget and its GNP shall be stipulated by the State Council.

The level of increase in the portion of the state budget for science and technology shall be higher than the level of increase in its regular revenues.

No units or individuals are allowed to divert, deduct, or withhold funds allocated by the state for science and technology.

Article 46. The state encourages enterprises to increase investments in research and development as well as technological renovation. Technological development funds spent by enterprises shall be incorporated into their production costs in the amount actually spent.

Article 47. The state's banking institutions shall support the commercialization of scientific and technological achievements in terms of loans and credit.

Article 48. Research and development institutions engaged in technological development may raise research and development funds from society in various forms in accordance with relevant state regulations.

Article 49. The state encourages organizations and individuals at home and abroad to establish different kinds of science foundations to offer financial assistance for scientific research and technological development.

Article 50. Relevant administrative departments of the State Council and local people's governments at all levels shall adopt measures to promote exchange of scientific and technological information and establish modernized scientific and technological information networks.

Article 51. The state shall establish a system of safeguards for scientific and technological secrets to protect scientific and technological secrets vital to national security and interests.

The state shall strictly control valuable biological species and related resources and prevent them from being brought out of the country.

Chapter VIII. Encouragement and Reward in Science and Technology

Article 52. The state shall establish a science and technology reward system to encourage and reward citizens and organizations who made important contributions to scientific and technological progress.

Article 53. The state shall confer, in accordance with the law, titles of honor on citizens who made outstanding contributions to the development of the country's science and technology.

Article 54. The State Council shall set up natural science awards, technological invention awards, scientific and technological progress awards, and international scientific and technological cooperation awards. It may set up other science and technology awards where necessary.

Natural science awards will be given to citizens who clarified natural phenomena, characteristics, and laws and made important scientific discoveries in basic and applied science.

Technological invention awards will be given to citizens who made major technological inventions in the development of products, processes, materials, and systems, through the application of science and technology.

Scientific and technological progress awards will be given to citizens or organizations who made outstanding contributions to the application and popularization of advanced scientific and technological achievements; the

completion of major scientific and technological engineering projects, programs, and plans; and the improvement of the management of science and technology.

International scientific and technological cooperation awards will be given to citizens or organizations of foreign countries who made important contributions to China's science and technology.

Article 55. Enterprises and institutions shall, in accordance with relevant state regulations, withdraw a fixed portion of retained profits derived from the application of scientific and technological achievements to reward individuals who produced technological achievements.

Article 56. Organizations or individuals at home and abroad may set up scientific and technological awards foundations to reward citizens or organizations who made outstanding contributions to scientific and technological progress.

Chapter IX. Legal Responsibilities

Article 57. Where funds allocated by the state for science and technology are diverted, deducted, or withheld in violation of the state's financial and budgetary rules and regulations, the superior organ shall order the return of the diverted, deducted, or withheld funds within a prescribed time; where serious offenses are committed, the superior organ or the unit in question shall mete out administrative disciplines against personnel directly responsible for the offenses.

Article 58. Administrative penalties or disciplines shall be meted out against those who committed serious offenses by abusing their power in suppressing scientific and technological inventions or rationalization proposals.

Article 59. Where deceptive means were employed in filing new technologies and products as well as other scientific and technological achievements, the pay and benefits as well as rewards obtained therefrom shall be revoked, and administrative penalties or disciplinary action shall be meted out.

Administrative disciplines shall be meted out by relevant responsible departments against scientific and technological achievements appraisers who deliberately make false appraisals.

Article 60. Those who plagiarize, tamper with, falsify, or resort to other means to infringe on other people's copyrights, patent rights, rights to discovery and invention and other scientific and technological achievements as well as those who illegally steal technological secrets shall be handled in accordance with relevant laws.

Chapter X. Attachments

Article 61. The State Council administrative department in charge of science and technology and other relevant administrative departments shall enact implementation measures on the basis of this law and submit them to the State Council for approval.

Article 62. This law shall take effect on 1 October 1993.

Appendix: Relevant Articles of the Laws

Articles related to administrative responsibilities:

I. Relevant Clauses of the State Council Interim Regulations Governing Rewards and Punishments for Functionaries of State Administrative Organs:

[Article] 5. Disciplinary sanction shall be taken against functionaries of state administrative organs for dereliction of duty described in the following that does not constitute a crime. When the circumstances are not serious, disciplinary sanction may be exempted after criticism and education.

..... [ellipses as received]

(4) practicing fraud to mislead the organization;

.....

(9) abusing power to infringe on the interests of the masses and undermine relations between the state organs and the masses;

.....

[Article] 15. Responsible State Council departments shall draw up measures of rewards and punishments with reference to these Regulations for matters related to rewards and punishments of personnel of institutions affiliated with state administrative organs.

II. Relevant Articles of the Patent Law

Article 65. Where any person usurps the right of an inventor or creator to apply for a patent for a nonservice invention-creation, or usurps any other right or interest of an inventor or creator prescribed by this Law, he shall be subject to disciplinary sanction by the entity to which he belongs or by the competent authority at the higher level.

III. Relevant Articles of the Accounting Law

Article 27. Accounting personnel who knowingly accept untrue or illegal original documents or knowingly accept and handle revenues and expenditures incurred in violation of the provisions of the country's uniform financial and accounting systems and persons in charge of an administrative unit or its superior unit who knowingly decide to handle or insist on handling revenues and expenditures incurred in violation of the provisions of the country's uniform financial and accounting systems shall be given disciplinary sanction when the circumstances are serious; an investigation shall be conducted to affix the criminal liability when their action results in major economic losses to the state.

Articles related to civil liability:

I. Relevant Articles of the General Code of the Civil Law

Article 118. Citizens or legal persons whose copyright, patent rights, the right to the exclusive use of trademarks, the right to discovery and invention as well as other scientific and technological achievements are infringed upon through usurpation, tampering, or pirating have the right to demand an end to the infringing act; the elimination of the effects of the act; and compensation for damages incurred.

II. Relevant Articles of the Copyright Law

Article 45. Anyone who commits any of the following acts of infringement shall bear civil liability for such remedies as ceasing the infringing act, eliminating the effects of the act, making a public apology, or paying compensation for damages, depending on the circumstances:

(1) publishing a work without the consent of the copyright owner;

(2) publishing a work of joint authorship as a work created solely by oneself, without the consent of the other co-authors;

(3) having one's name mentioned in connection with a work created by another, in order to seek personal fame and gain, where one has not taken part in the creation of the work;

(4) distorting or mutilating a work created by another;

(5) exploiting a work by performance; broadcasting; exhibition; distribution; making cinematographic, television, or video productions; adaptation; translation; annotation; compilation; or by other means, without the consent of the copyright owner, unless otherwise provided in this Law;

(6) exploiting a work created by another without paying remuneration as prescribed by regulations;

.....

(8) committing other acts of infringement of copyright and of other rights related to copyright.

Article 46. Anyone who commits any of the following acts of infringement shall bear civil liability for such remedies as ceasing the infringing act, eliminating the effects of the act, making a public apology, or paying compensation for damages, depending on the circumstances; and may, in addition, be subjected by a copyright administration department to such administrative penalties as confiscation of unlawful income from the act or imposition of a fine:

(1) plagiarizing a work created by another;

(2) reproducing and distributing a work for commercial purposes without the consent of the copyright owner;

(3) publishing a book where the exclusive right of publication belongs to another;

.....

III. Relevant Articles of the Patent Law

Article 60. For any exploitation of the patent, without the authorization of the patentee, constituting an infringing act, the patentee or any interested party may request the administrative authority for patent affairs to handle the matter or may directly institute legal proceedings in the people's court. The administrative authority for patent affairs handling the matter shall have the power to order the infringer to stop the infringing act and to compensate for the damage....

Articles Related to Criminal Liability:

I. Relevant Articles of the Patent Law

Article 63. Where any person passes off the patent of another person, such passing off shall be treated in accordance with Article 60 of this Law. If the circumstances are serious, any person directly responsible shall be prosecuted for his criminal liability, by applying mutatis mutandis Article 127 of the Criminal Law.

II. Relevant Articles of the Criminal Law

Article 127. Where in violation of the laws and regulations on trademark control, an industrial or commercial enterprise falsely passes off trademarks already registered by another enterprise, the persons directly responsible are to be sentenced to not more than three years of fixed-term imprisonment, criminal detention, or a fine.

Military

Arms Industries Produce Civilian Goods

OW2107083093 Beijing XINHUA in English 0729
GMT 21 Jul 93

[Text] Chongqing, July 21 (XINHUA)—Many people in China are quite familiar with "Chang'an Auto", a minibus, and "Jialing" and "Yamaha" motorcycles made in this largest industrial city in southwest China, but they may not know that the manufacturers of all these products once specialized in weapons and ammunition production.

Over the past decade, the defense industry in southwest China has manufactured about four million motorcycles, nearly 500,000 refrigerators, about 700,000 cameras, over 100,000 minibuses and 1,000 heavy trucks.

Southwest China used to be one of the important conventional arms production centers in China, local officials say, adding most of the arms producers, however, have been turning swords into ploughshares and have become strong competitors on the domestic civilian product market.

According to authorities in charge of the defense industry, the output value of its civilian products accounted for 86 percent of the total output value

generated by the industry in 1992, with an average growth rate of 32 percent during the past 14 years.

The group companies, which produce "Jialing" and "Yamaha" motorcycles and "Chang'an Auto" minibuses, are large enterprises in southwest China, with numbers of employees ranging from several thousand to nearly 30,000.

In order to prepare for national defense in the 1960s and 1970s, China concentrated some of its best talent and then the most advanced technology, machines and equipment available on construction of a complete defense industry in mountainous areas in inland provinces including Sichuan, Yunnan and Guizhou.

However, China decided in the early 1980s to cut its troops by about one million soldiers and encourage its defense industry to produce civilian goods on the premise that the industry fulfills the sharply-cut quota for weapons and ammunition.

According to defense industry officials, the defense industry in southwest China has become one of the leading motorcycle and minicar producers.

Former Mayor of Chongqing Sun Tongchuan and leading local officials, who initially referred to the well-equipped and powerful defense industry as "a tiger sleeping in remote mountains," now describe the defense industry enterprises turning to civilian goods production as "a tiger jumping down the mountains."

They say the defense industry, with its advanced technology and equipment, has the ability needed to develop and manufacture new civilian goods, or to institute technological innovation.

Meanwhile, the changing defense industry has attracted the attention of overseas investors.

To date, over 20 overseas companies have set up joint ventures with the defense industry.

Contracts for setting up two joint ventures, each involving 220 million U.S. dollars, were signed in mid-June between two defense industry enterprises in Chongqing and two Japanese enterprises to produce 100,000 cars and 300,000 motorcycles annually.

A leading defense industry official said the industry is going to set up branches outside China and use overseas capital, advanced techniques and equipment.

To improve its enterprises' competitiveness, the industry will continue to improve their management systems and technology.

The defense industry plans to manufacture 10 billion yuan worth of civilian goods in 1995. The Chang'an Automobile group company will increase its production to 200,000 minibuses and its motorcycle counterparts will produce 1.2 million motorcycles.

Heilongjiang Leaders on Army-People Education*SK2207075293 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 21 Jul 93*

[Excerpt] The experience exchanging meeting on Army-people joint construction and education opened in Harbin on 21 July. Attending the meeting were provincial leaders Sun Weiben, Shan Rongfan, Wang Xianmin, Yu Jingchang, Xie Yong, Zhu Dianming, Ma Shujie, and Dai Moan. Li Qinglin, standing committee member of the provincial party committee and director of the provincial discipline inspection commission, presided over the meeting. Pertinent leaders of the Propaganda Department under the CPC Central Committee, the General Political Department of the People's Liberation Army (PLA), and the Shenyang Military Region made a special trip to Harbin to participate in this meeting. The General Political Department of the PLA and the Headquarters of Chinese People's Armed Police Force sent congratulatory messages to the meeting. Ma Shujie, vice governor of the province, delivered an opening speech. Shan Rongfan, deputy secretary of the provincial party committee and head of the provincial leading group for Army-people joint construction and education work, made a report at the meeting.

Shan Rongfan said: The number of Army-people joint construction and education centers has developed from several tens to more than 10,000 in the province. The successful development of the joint construction and education work has vigorously promoted the construction of the province's politics, economy, and four modernization and has played a huge role in enhancing the [words indistinct] capacity of localities and the fighting capacity of the army. Various PLA units have regarded the development of Heilongjiang's economy as the common duty of the officers and soldiers, [words indistinct], and consciously oriented joint construction and education activity to the orbit of economic construction. During the Army-police-people joint construction and education activity, the Army has continuously drawn [words indistinct] from the masses, and the localities have [passage indistinct] [passage omitted]

Henan Military District Party Committee Meets*HK2207003493 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 18 Jul 93*

[Text] The 15th plenary session of the eighth CPC committee of the provincial military district was held in Zhengzhou 16-18 July. At this session, the spirit of the 12th plenary session of the sixth Jinan Military Region party committee and the forum of secretaries of party committees at and above the division level of the air force was relayed and arrangements were made to implement it. The participants conscientiously studied the decision of the Jinan Military Region party committee on strengthening discipline under the new circumstances.

Zhu Chao, deputy secretary of the provincial military district party committee and commander, delivered a

work report on behalf of the standing committee of the provincial military district party committee. His report made arrangements for the mobilization work related to the militia and reserve forces in this military district in the second half of the year and important affairs that leaders of party committees at all levels must attend to.

Wu Guangxian, secretary of the provincial military district party committee and political commissar, made a speech on the [words indistinct] whole district and announced the resolution to convene the ninth CPC congress of the provincial military district.

[Name indistinct], deputy secretary of the provincial CPC committee, in the name of Li Changchun, provincial CPC committee secretary and first secretary of the provincial military district CPC committee, made a speech on strengthening study, improving the quality of party leadership groups, and giving full play to the role of militia-men throughout the province in deepening reform and developing the socialist market economy.

Making a good job of the militia work and prompting them to take the lead in participating in the building of the two civilizations is an important task facing party committees at all levels.

Defense Magazine To Begin Publication in Sep*OW2207045993 Beijing XINHUA in English 1418 GMT 21 Jul 93*

[Text] Beijing, July 21 (XINHUA)—A new newspaper, the CHINA NATIONAL DEFENSE NEWS, will begin publication nationwide in early September.

The newspaper will publicize Deng Xiaoping's ideas on the modernization of China's national defense in the current period, and will promote education in and construction of national defense.

Initially, the paper will be published once a week by the head office of the LIBERATION ARMY DAILY [JIEFANGJUN BAO], a newspaper for members of China's Armed Forces.

Economic & Agricultural**'Special Article' on GATT Reentry Prospects****Part One***HK1907061293 Hong Kong WEN WEI PO in Chinese 16 Jul 93 p 1*

["Special Article" by staff reporter Chen Chien-ping (7115 1696 1627): "Placing Hopes on Reentering GATT in the First Half of 1994—Present Conditions and Prospects of China's Return to GATT (Part One of Two)"]

[Text] Beijing, 8 Jul—The talks on restoring China's status as GATT signatory state have been held for five years and seven months. Up to the conclusion of the

14th meeting of the China Working Team on 28 May 1993, the course was full of twists and turns, and the talks officially entered the substantive stage. The restoration of China's status as a GATT signatory state is merely an issue of time. It is generally expected that the issue will be solved in the first half of next year.

Examination and Assessment of the Economic and Trade Systems Conclude

The talks on restoring China's status as a GATT signatory state entered the substantive stage when the examination and assessment of China's economic and trade systems was completed. The examination and assessment constitute the most important step to determine whether a country or a region is able to join GATT. After China set forth the reform objective of establishing a socialist market economy, strong repercussions occurred in GATT. This made people see that market economy can be practiced under different social systems. This also solved the most difficult question of whether China, under its current system, is able to implement all the international agreements and rules based on the operation of the market economy specified by GATT in the examination and assessment of the economic and trade system. According to officials attending the talks, because this major obstacle was removed, in the course of examination and assessment the GATT signatory parties gradually summarized more than 2,000 issues into six special subjects. In the future, it is still possible that some signatory parties may raise new questions about China's economic and trade system. However, it is generally believed that the talks on substantive issues have begun, and the talks on general and principle issues have concluded.

The framework of the agreement on China's return to GATT has taken shape. The agreement is a document that will be signed at the final stage of China's return to GATT. The document will specify China's rights and duties in GATT. According to authoritative sources, the current talks have come to the point of discussing the list of comprehensive issues related to the agreement. The list has five parts and 22 points, and it is the prototype of the agreement on China's return to GATT. At the Geneva meeting between 24 and 28 May, the chairman of the China Working Team briefed the meeting participants on 16 of the 22 issues discussed in the unofficial consultations. These issues are the definition of China's tariff territory, the local authorities' implementation of the GATT principles, different treatments for the autonomous regions inhabited by minority nationalities and for poor areas, the legislative items, China's status as a developing country, the degree of transparency in the trade, the mechanisms of examination and assessment, the agreement on participating in multilateral trade talks, the standards and tests of commodities, enterprises' right of independent operation and foreign trade engagement, commodity certificates of origin and export statistics, exchange rate policy, unified implementation of the trade system, the special economic zones and

coastal open cities, the articles on agricultural development and special protection. A consensus of opinion on the above issues has been reached with most GATT signatory states.

Tariff Talks Have Begun

—The tariff and non-tariff talks between various signatory parties and China have begun. The agreement on China's return to GATT will include an important annex—the table of tariff reductions and waivers. Generally speaking, this table of tariff reductions and waivers is the admission fee that China will pay for returning to GATT. If a country is willing to hold tariff talks with China, this indicates that it agrees with China's return to GATT and also agrees to apply the GATT rules for bargaining on their reciprocal tariff arrangements. Over a long time in the past, some major signatory parties did not express willingness to start tariff talks with China, and only such small countries as New Zealand and Uruguay began such talks with China. Last February, Japanese Foreign Minister Watanabe officially announced that Japan would start tariff talks with China. Japan's action had a great impact on the attitude of other major signatory parties.

—The political issue concerning Taiwan's entry to GATT has been properly solved. Last September, the chairman of the GATT Executive Council issued a statement on Taiwan's entry to GATT, saying that all signatory parties recognize the viewpoint of only one China and recognize that the PRC Government is the sole legal government that represents China. The state also promised that mainland China's status as a GATT signatory state will be first solved before Taiwan's status is handled. The establishment of the principles on Taiwan's entry to GATT removed the greatest political obstacle.

According to authoritative sources, in fact, between February 1990 and March 1993, the talks on China's return to GATT continued to make substantial progress. However, the U.S. and Western media repeatedly alleged that "the talks made not substantial progress." This was aimed at keeping pressure on China and forcing China to pay higher costs for its return to GATT. As a result, no breakthrough progress has yet been made on the issue of China's return to GATT. However, at the 14th meeting of the China Working Team last May, the United States, Japan, Canada, and the European Community all showed signs of advancing the talks on China's return to GATT.

Part Two

HK1907061493 Hong Kong WEN WEI PO in Chinese
17 Jul 93 p 6

["Special Article" by staff reporter Chen Chien-ping (7115 1696 1627): "China and the United States To

Discuss China's Return to GATT in July—Present Conditions and Prospects of China's Return to GATT (Part Two of Two)"

[Text] Beijing, 16 Jul—According to an authoritative source here, at the 14th meeting of the GATT China Working Team, which concluded on 28 May, such developed Western countries as the United States, Canada, Japan, and the European Community showed willingness to advance the talks on China's return to GATT. In particular, the United States changed its attitude rather obviously.

The United States Proposed Talks With China

The source said: At the meeting, the Chinese delegation separately held bilateral working-level consultations with the delegations of the above-mentioned countries and exchanged opinions on drafting the agreement on China's return to GATT. In the consultations, the U.S. delegation expressed willingness to hold official talks with the Chinese side and invited the Chinese Government to dispatch a high-level delegation to discuss the agreement in July in the United States, and the U.S. representatives also stressed that this was an important decision with the confirmation of the relevant U.S. Government departments. Another important and noticeable point of this meeting was that more countries expressed willingness to hold tariff reduction and waiver talks, which are of great significance. In addition to New Zealand, Uruguay, and Finland, Switzerland, the Czech Republic, and Australia also announced the beginning of official talks on tariff reductions and waivers with China. Canada also expressed willingness to hold tariff talks with China and handed over a tariff and non-tariff list to the Chinese side.

This source said: The Western signatory parties headed by the United States recently changed their attitude toward the issue of China's return to GATT. This showed that the objective conditions for China's return to GATT are basically ready, and the general trend of events has complied with China's effort to return to GATT. In addition, the changes in the Western signatory parties were also attributed to the following factors:

China's Reform Is Conducive to China's Return to GATT

—China's reform has achieved great results known to the whole world, and the market economy is rapidly developing. China's foreign trade system is converging with the GATT rules across the board. In the eyes of the West, endorsing China's return to GATT will be a guarantee for encouraging China to further its reform and opening. For example, at the 14th meeting of the China Working Team, the Chinese side made the following two policy statements: First, in the field of agriculture, China will not seek any exceptions and will pursue an agricultural development policy within the scope specified by the current GATT rules and will actively participate in the Uruguay Round talks on reducing and waiving tariffs on farm produce. Second,

in the field of China's foreign exchange policy, China promised to undertake unified exchange rate quoting in all exchange transfer centers throughout the country and unify the two exchange rate systems within five years. China will then ensure the renminbi's free conversion on this basis. The West held that these two major policies showed China was actively bringing its policies into line with the GATT rules.

Prerequisites for Taiwan's Entry to GATT

—The Uruguay Round multilateral trade talks that lasted seven years are very likely to conclude by the end of this year. China is now a noticeable trade partner in the world. It has announced its willingness to accept the results of the Uruguay Round talks.

Therefore, it is not only necessary but also conducive to the West to subject China to the new international trade rules.

—The process of arranging Taiwan's entry to GATT is accelerating, and it is expected that the talks may be completed early next year. There was a multilateral political understanding inside GATT to first restore mainland China's GATT status before admitting Taiwan. If the process of restoring the status of China's central government lags behind, the handling of Taiwan's case will also be retarded and postponed. This does not come into line with various signatory parties' original intention of supporting Taiwan's participation. Therefore, the talks on Mainland China's return to GATT has to be completed on time, and this is a prerequisite for Taiwan's entry.

There May Still Be Twists and Turns in the Talks

This source said: The current internal and external environment is rather favorable to China's return to GATT, China may make substantial progress in the talks before long. However, there remain many uncertain variables. For example, Sino-U.S. relations remain in a delicate condition, and the Clinton administration may attach strings to China's most favored nation status while agreeing to keep this status. Now, the United States has assumed a positive attitude toward the talks on China's return to GATT, and this is in the long-term interests of developing bilateral trade relations. However, in future talks the United States may raise some terms unacceptable to China. If that is the case, the talks will be very arduous.

This source said: China is prepared for this. We believe as long as the rhythm of the talks is properly controlled, under the premise of balanced rights and duties, the restoration of China's status as a GATT signatory state will just be an issue of time, and it is expected that the issue will be solved in the first half of next year.

Li Peng Writes on Brand Names, Quality

OW2207112093 Beijing XINHUA Domestic Service in Chinese 0653 GMT 16 Jul 93

[Text] Beijing, 16 Jul (XINHUA)—This year's second edition of ZHONGGUO MINGPAI [CHINA TOP BRANDS] magazine carries an article by Li Peng, premier of the State Council, entitled "Creating Brand-Name Products To Raise International Competitiveness." The article says: Quality has become a crucial factor that determines whether we can win in international competition, whether we can further develop China's foreign trade, and whether we can make our enterprises efficient. We should create an atmosphere of quality consciousness among all people and workers, and concentrate on producing a number of fine-quality and brand-name products, key export products that can earn foreign exchange, and products that are vital for the national economy and the people's livelihood and are closely related to the people's well-being.

The article says: In recent years, China's overall economic development has maintained strong momentum. The volume of exports and imports has increased significantly, elevating China to 11th place in world trade. Thanks to reform and opening up, we have been able to make such great progress in foreign economic relations and trade. Foreign trade has expanded rapidly, especially since the abolition of foreign trade subsidies and the establishment of a new system under which foreign trade enterprises are responsible for their own operation-related decisions and for their own profits and losses. We have introduced many advanced technologies and management skills, and have conducted extensive economic and technological exchanges with foreign countries. As a result, our export commodities can better meet the needs of the international market in terms of quality and variety. China's light industrial and textile products are now quite popular in the world. A Chinese American recently wrote to me, saying that Chinese-made commodities are widely available in supermarkets abroad, instilling pride and elation in local Chinese nationals and Overseas Chinese. This shows that the quality and structure of our export products are undergoing changes. In the past, we primarily exported raw materials, such as grain, minerals, and primary products, whereas light industrial products, textiles, and machinery and electronic products are now important export items.

As we affirm our achievements, we must recognize existing problems and disparities. Generally speaking, the quality of Chinese products is still considerably below the international level. Low-grade and cheap Chinese products cannot meet the needs of diversification and high quality in the international market. Price is our basic selling point. Cheap labor costs mean that our products are low-priced, and most of them are not high-grade and brand-name goods.

The article says: Negotiations are now under way to restore our country's status as a GATT contracting party.

Accession to GATT will provide us with both opportunities and challenges; these two elements exist side by side. Opportunities will create more markets for our exports and generate enormous potential for foreign trade and economic and technological cooperation. Challenges mean we will have to slash our tariffs and open up more markets. To be sure, to attract foreign capital we still have to open up our markets in a reasonable manner even if we do not join GATT. This is because foreigners who invest in China are attracted by China's huge developing market. We have clearly stated our position on several occasions: Since we are seeking to restore our status as a GATT contracting party, we should enjoy the rights stipulated in GATT and at the same time fulfill relevant obligations. Generally speaking, the gap between the Chinese market and the international market is closing. Whether China can survive in the international market depends upon whether its products are of fine quality, whether its services are good, and whether it can establish a commercial network in the world. These constitute a host of new tasks that await us.

The article states: From now on, all industrial departments and enterprises should pay attention to training large numbers of people who are skilled in technology and foreign trade, particularly people who are conversant with Chinese and foreign patent laws and with relevant GATT provisions. What is more important is that we should produce fine products whose quality meets established requirements and reaches or even surpasses international standards. International standards represent the minimum criteria set by the international community. For their products to be able to compete in the international market, every manufacturer has set standards that are usually higher than these criteria; otherwise, their products will lose their competitiveness in the international market. Failure to achieve superiority in quality will relegate us to a subordinate position in the international market. Therefore, quality has become a crucial factor that determines whether we can win in international competition, whether we can further develop China's foreign trade, and whether we can make our enterprises efficient.

The article states emphatically: We should create an atmosphere of quality consciousness among all people and workers. We cannot improve product quality if enterprises or factory managers are not quality-minded. The quality of a construction project cannot be improved if the chief officer or manager in charge of the project does not pay attention to quality. We have enacted an array of scientific quality control measures, such as the quality guarantee system and quality control throughout the entire production process. Instead of conducting quality inspections in the final stage of production, we are exercising quality control throughout the entire process. It is of crucial importance that factory leaders and all workers and staff members exhibit quality consciousness in all stages of production, spanning the entire process from input to output. We should improve

quality by deepening reform, achieving scientific and technological advancement, improving workers' quality, and strengthening enterprise management. By taking account of the specific conditions of each factory, we should tackle salient problems pertaining to product quality and concentrate on producing a number of fine-quality and brand-name products, key export products that can earn foreign exchange, and products that are vital for the national economy and the people's livelihood and are closely related to the people's well-being.

Zhu Rongji Attends National Bank Meetings

OW2207112493 Beijing XINHUA Domestic Service in Chinese 0819 GMT 13 Jul 93

[By reporter Ding Jianming (0002 1017 6900)]

[Text] Beijing, 13 Jul (XINHUA)—To resolutely implement a series of important decisions by the CPC Central Committee and State Council on current economic work as well as guidelines set by the national financial work conference is the current major task of the nation's financial establishment. To accomplish this task, the Industrial and Commercial Bank of China, the Agricultural Bank of China, the People's Construction Bank of China, the Bank of China, and the Communications Bank of China recently held separate national meetings of branch directors. These meetings stressed the need to make serious efforts to straighten out the current financial order, to enhance financial discipline, to deepen financial reform, and to consolidate funds to support the state's key projects. Zhu Rongji, vice premier of the State Council and governor of the People's Bank of China, attended and spoke at each of the meetings of the specialized banks.

At each of the meetings the banks demanded that their respective subordinate banks at all levels make proper efforts to straighten out financial order and to tighten financial discipline, strictly control the total amount of credit loans, firmly prohibit irregular inter-bank lending, and consolidate available funds to support the state's key projects.

President Zhang Xiao of the Industrial and Commercial Bank of China said at the bank's meeting: Our bank's whole system should consolidate available funds to support key projects. We should ensure the supply of funds for well-managed projects and withhold lending for those that are poorly managed. We should clearly define the "three assurances"; that is, to ensure the supply of funds to meet reasonable needs in the procurement of agricultural and sideline products, to meet the needs of state-owned enterprises and foreign exchange-earning enterprises with good economic results, and to meet the needs of the state's key construction projects and key technological revamping projects. We should make sufficient funds available and speed up the lending process of funds for key construction projects and technological revamping projects included in the state's plan—

especially projects in rail, transportation, communications, energy, and important raw and processed materials industries, as well as projects in other industries producing goods in short supply—if they need continuous borrowing.

President Ma Yongwei of the Agricultural Bank of China asked all its branches and credit cooperatives to give priority to granting funds and to ensuring the payment of funds for the procurement of agricultural and sideline products, and to do everything possible to ensure that purchasing enterprises do not issue "IOU's" to peasants. He said: We should continue to implement the responsibility system: banks at a higher level should supervise banks at the next lower level; when a bank is in trouble, the director of the bank is to be held responsible. In addition, we should continue to follow the practice in which the bank is put under the government's centralized leadership, and in which the bank and concerned financial units, purchasing enterprises, and other responsible departments clearly define their responsibilities and jointly ensure the supply of funds for the procurement of agricultural and sideline products. The fund raising responsibility system should be proportionately assigned to all units, down to grass-roots branches and grain procuring units. Agricultural banks should do everything possible to ensure that sufficient amounts of funds are available on time. We should continue to properly manage funds exclusively for the procurement of agricultural and sideline products. Ma Yongwei added: We should support agricultural production, disaster relief efforts, efforts to help the poor, and the development of special agricultural projects. In addition, we should support the development of select town and village enterprises and efforts to invigorate commodity circulation in rural areas.

President Zhou Daojun of the People's Construction Bank of China stressed at the bank's meeting: Our bank's whole system should continue to forcefully attract deposits, ensure that due and overdue loans are repaid, make flexible use of available funds, and do everything we can to ensure the supply of funds for the state's key construction projects. By strengthening the means of service and by improving our service attitude and quality, we should strive to steadily increase our deposits and make funds for the state's key construction projects more readily available. Priority should be given to granting fixed asset investment loans for agricultural, transportation, communications, energy, and other key state projects included in the state's plan, especially for railway construction projects and projects that can be completed and put into operation within this year. We should set aside fixed amounts of funds as loans for priority key projects.

President Wang Deyan of the Bank of China said the bank's major tasks during the second half of this year are, while continuing to apply itself to attracting deposits and strictly controlling the scale of credit loans, to straighten out financial order, to tighten financial discipline, and to ensure the sound development of work in

all areas, with efforts focusing on straightening out irregular inter-bank lending and exchange disparity between banks. Wang Deyan said: During the second half of this year, while strictly controlling the amount of credit loans, we should rationalize credit loan distribution and consolidate available funds to ensure the supply of funds for key projects. We should not heedlessly expand the scale of credit loans and ignore the quality of assets used as mortgage for credit loans. We should make use of all available funds, use funds flexibly, seriously handle overdue loans, lower the percentage of risk assets, and gradually establish a mechanism that can self-regulate the scale of loans, to create the necessary conditions for properly managing assets and liability and for managing risk assets.

A responsible official of the Communications Bank pointed out that straightening out financial order and tightening financial discipline will contribute to controlling the supply of money, to deepening reform of the financial system, to improving fund utilization efficiency, and to preserving the purity of the financial industry. He said: As a national commercial bank, the Communications Bank should self-consciously maintain good financial order; insist on running business soundly and in accordance with law; improve asset, liability, and risk management; and establish a good reputation as a socialist commercial bank.

Planning Commission Adopts Control Measures

HK2107131693 Hong Kong WEN WEI PO in Chinese
21 Jul 93 p 1

[Dispatch by staff reporter Chen Chien-ping (7115 1696 1627): "State Planning Commission Screens Ongoing Projects, Adopts Measures for Curbing Price Hikes, and Reinforces Macroscopic Control in Light of the Central Instructions"]

[Text] Beijing, 20 Jul (WEN WEI PO)—According to an authoritative source here, the top central authorities recently emphatically required the State Planning Commission and other comprehensive economic departments to carry out the central policy measures for reinforcing macroscopic control. The central authorities also particularly stressed that, while macroscopic control is called for, there is a need to keep a strong sense of reform in order to prevent retrogression to the old path of the traditional planned economy. The State Planning Commission has reportedly worked out measures for controlling investment in fixed assets and curbing excessive price increases.

The authoritative source said: This time, in the course of implementing the "16-Point" document issued by the party Central Committee, the State Planning Commission will play an important role in reinforcing macroscopic control. The top central leaders required the State Planning Commission to combine the implementation of the "16 Points" with the transformation of the planning concept and the commission's planning functions, thus gradually developing

a new set of means for macroscopic economic regulation and control suited to the needs of the socialist market economy. The commission was required to give more consideration to deepening and quickening reform and more applying economic levers and legal means when exercising economic control.

According to the source, the State Planning Commission has formulated the following measures in light of the Central Committee's "16-Point" document:

- To reinforce macroscopic control over the scale of investment in fixed assets and the investment structure, to screen all ongoing construction projects, to strictly control the initiation of new projects, and to guarantee key construction projects and projects that will be completed and put into operation within the year.
- To formulate the regulations on applying for the approval of construction projects and keep records on such projects.
- To deepen investment system reform.
- To reinforce supervision over the overall price level and reinforce management over market prices.

Statistics Bureau Spokesman on Economic 'Problems'

OW2007132593 Beijing XINHUA Domestic Service in Chinese 0835 GMT 19 Jul 93

[By reporter Zhang Jinsheng (1728 6930 0524)]

[Text] Beijing, 19 Jul (XINHUA)—At a news briefing for Chinese and foreign reporters today, Zhang Zhongji, news spokesman for the State Statistical Bureau, analyzed major problems currently existing in our country's national economic operations. He pointed out: Sustained, rapid economic growth has made the environment for macroeconomic operations increasingly tense. This is prominently reflected in excessively large investment in fixed assets that are under construction, the grim financial and banking situation, outstanding problems caused by "bottlenecks," further price hikes, and our lack of capacity for sustained growth in agricultural production.

Zhang Zhongji said: Seen from an overall perspective, the present economic situation is by and large good. It is favorable to the development of social productive forces, the strengthening of our country's comprehensive national strength, and the improvement of the people's living standards. However, we should not overlook problems which accompany rapid economic growth. First of all, investment in fixed assets has grown excessively large. Despite last year's over-extended construction scale of fixed assets, localities have continued to launch great numbers of projects this year. During the first half of this year, state-owned units launched 3,059 more projects in capital construction and upgrading than the same period of 1992, bringing the total number of newly launched projects to 22,161, and more than doubling the planned total investment to 125.7 billion yuan. Returns

on our macroeconomic investment have dropped because we over expanded the construction scale and over extended the construction front. Sustained, rapid growth in investment has played a positive role in promoting rapid economic growth, but it also spells problems for the maintenance of equilibrium in funds and material supply.

Zhang Zhongji said: As for finance and banking, the first half of this year saw a sharp contrast between low increases in internal financial revenues and high growth in economics and financial expenditures, and this has further complicated our efforts to balance our annual revenues and expenditures. The financial order has been in chaos since the beginning of this year. Wanton borrowing and lending between banking institutions, and unregulated fund raising in society have disrupted regular financial channels.

On the issue of price hikes, Zhang Zhongji said: Market prices have been further increased this year, thanks to both price reform policy and stronger social demand. During the first half of this year, the cost of living for people in the country is estimated to have jumped 12.5 percent from the same period of 1992—13 percent for those living in cities and towns, 17.4 percent for those in 35 large and medium cities, and 11.5 percent for those in rural areas. Retail prices throughout the country also rose 10.5 percent.

Zhang Zhongji pointed out: Steel products and electric power are in short supply; in particular, the "clogged" railway transport system and fund shortages have affected enterprises' regular operational activities. Our capacity for sustained growth in agricultural production has suffered because we have cut investment in agricultural production, and because we have not yet fully implemented all policy measures to strengthen agriculture. Better economic returns from our industrial enterprises have resulted mostly from bigger production scales and relatively higher product prices in the metallurgical, construction materials, and machinery sectors. Most industries still report rather low economic returns, and this is particularly true considering that the proportion of deficit-ridden state-owned enterprises still reaches 31.1 percent, which is only 0.9 percentage point lower than the same period of 1992.

Answering questions from Chinese and foreign reporters, Zhang Zhongji said: Thanks to a number of macroeconomic regulation and control measures, the economic growth rate will moderately slow down in the latter half of this year, and we expect the annual growth rate to reach around 12 percent. Increases in the cost of living for city dwellers in the first half of this year are, in descending order, as follows: Guangdong, 21.1 percent; Shanghai, 18.5 percent; Beijing, 15.6 percent; and Tianjin 14.3 percent. Nanning in Guangxi has the highest rate—23.2 percent over the same period of 1992.

Concluding his speech, Zhang Zhongji said: The party Central Committee and the State Council recently formulated policy measures to strengthen macroeconomic regulation and control to promote rapid and healthy national economic development. The policy measures have started to show results in certain areas. For example, prices for the means of production, such as steel products, have fallen after rising, regulated foreign exchange rates are on a downward trend, speculative economic activities have been restrained, and residents' savings deposits have significantly rebounded. So long as all localities and departments further implement relevant central policy measures in a comprehensive manner, we will be able to overcome difficulties as we go forward.

XINHUA Domestic Replaces Item

OW2007134393 Beijing XINHUA Domestic Service in Chinese 1322 GMT 19 Jul 93

[Beijing XINHUA Domestic Service in Chinese transmits the following item with a service message advising that it replaces the above item on the Statistics Bureau spokesman's remarks transmitted at 0835 GMT on 19 July]

[Text] Beijing, 19 Jul (XINHUA)— Zhang Zhongji, news spokesman of the State Statistical Bureau, pointed out today: Policy measures recently formulated by the party Central Committee and the State Council to strengthen macroeconomic regulation and control have started to show results in certain areas. For example, prices for the means of production, such as steel products, have fallen after rising, regulated foreign exchange rates are on a downward trend, speculative economic activities have been restrained, and residents' savings deposits have significantly rebounded. Although the economic growth rate will moderately slow down in the latter half of this year, we still expect the annual growth rate to reach around 12 percent.

Zhang Zhongji broached the above subject when he analyzed the state of our country's national economic operations at a news briefing for Chinese and foreign reporters. He said: Seen from an overall perspective, our country's present economic situation is, by and large, good. It is favorable to the development of social productive forces, the strengthening of our country's comprehensive national strength, and the improvement of the people's living standards. He also said: We should not overlook problems which accompany rapid economic growth. What is prominent is that our investment in fixed assets which are under construction is excessively large, the financial and banking situation is grim, problems caused by "bottlenecks" are prominent, prices have further increased, and we lack a capacity to sustain the growth in agricultural production.

On the issue of investment in fixed assets, he said: During the first half of this year, state-owned units launched 3,059 more projects in capital construction and

upgrading than the same period of 1992, bringing the total number of newly launched projects to 22,161, and more than doubling the planned total investment to 125.7 billion yuan. Sustained, rapid growth in investment has played a positive role in promoting rapid economic growth, but it also spells problems for the maintenance of equilibrium in funds and material supply.

Zhang Zhongji said: As for finance and banking, the first half of this year saw a sharp contrast between low increases in internal financial revenues and high growth in economics and financial expenditures, and this has further complicated our efforts to balance our annual revenues and expenditures. Market prices have been further increased this year, thanks to both price reform policy and stronger social demand. During the first half of this year, the cost of living for people in the country is estimated to have jumped 12.5 percent from the same period of 1992—13 percent for those living in cities and towns, 17.4 percent for those in 35 large and medium cities, and 11.5 percent for those in rural areas. Retail prices throughout the country also rose 10.5 percent.

Zhang Zhongji pointed out: Steel products and electric power are in short supply; in particular, the "clogged" railway transport system and fund shortages have affected enterprises' regular operational activities. Our capacity for sustained growth in agricultural production has suffered because we have cut investment in agricultural production, and because we have not yet fully implemented all policy measures to strengthen agriculture. Better economic returns from our industrial enterprises have resulted mostly from bigger production scales and relatively higher product prices in the metallurgical, construction materials, and machinery sectors. Most industries still report rather low economic returns, and this is particularly true considering that the proportion of deficit-ridden state-owned enterprises still reaches 31.1 percent, which is only 0.9 percentage points lower than the same period in 1992.

Zhang Zhongji said: The many state measures to solve these problems, including macroeconomic regulation and control, have started to show results. So long as all localities and departments further implement these policy measures in a comprehensive manner, we will be able to overcome difficulties as we go forward.

Zou Jiahua Warns Real Estate Tax Evaders

HK2207034093 Beijing CHINA DAILY in English 22 Jul 93 p 1

[by staff reporter Liang Chao: "Stern Steps Urged To Regulate Real Estate"]

[Text] The government will investigate the real estate business and harshly punish dealers who have evaded taxes, Vice-Premier Zou Jiahua said yesterday at a conference.

"Since early this year, malpractice in the use of public land and mismanagement of the real estate market have caused heavy losses to the government," Zou said at the National Land Conference.

He vowed to take immediate and stern measures to regulate China's land market and advance the change-over from the system of free use of State land to paid use.

Zou told some 200 provincial land officials at the conference that teams of investigators, composed of officials from land and construction agencies, industrial and commercial departments and the tax bureau and banks, will soon comb the Chinese real-estate market. Dealers who have evaded taxes will be severely punished, he said.

Real-estate companies have mushroomed and the business is virtually out of control in some provinces, he said. In China, there were only 6,290 real estate businesses in 1991, but more than 10,000 more opened in 1992. This year there are more than 20,000 real-estate companies in China.

Many real-estate enterprises have either evaded taxes or been involved in land speculation, Zou charged.

Any State land administration departments with the power to approve land use should be separated completely from real-estate dealings, he said.

The central government is considering some new laws, such as land value added-taxes, to perfect China's land management and increase its revenue from land resources, Zou said.

Ten measures will be taken to curb the increasing number of illegal land deals in which huge profits were made by reselling State-granted land and fuelling speculation in China's fledgling real-estate market.

To strengthen the country's overall land-use plan and balance supply and demand for land, any type of land used in construction projects, including land in development zones, will be listed in the State annual land-use plans. Previously, the plans included only land used by the State, major collective projects and rural housing.

Last year, the government planned to set aside only 266,666 hectares of farmland for construction, but more than 400,000 hectares of cultivated land were used.

As a major part of China's land-use reform, the government will cut the amount of land allocated for free use by State projects while leasing more land.

Zou said that the leasing of State land-use rights should be done only by the government and verified by land administration departments.

Zou Jiahua Addresses Aviation Corporation

OW2007090693 Beijing XINHUA Domestic Service in Chinese 0807 GMT 28 Jun 93

[By reporter Zou Qingli (6760 3237 7787)]

[Text] Beijing, 28 Jun (XINHUA)—The China Aviation Industry Corporation [CAIC] was formally inaugurated in Beijing on 26 June. Premier Li Peng sent a congratulatory message on behalf of the party Central Committee and the State Council.

Vice Premier Zou Jiahua spoke at the inaugural meeting. He said: The CAIC was inaugurated under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the principles for establishing a socialist market economy. The inauguration of the corporation, which signifies a major national reform of the aviation industry's management system and operating mechanisms, is primarily aimed at keeping the industry more in line with the development of a socialist market economy, bringing into full play the collective advantages of aviation industry, pushing aviation industrial enterprises toward the market in a true sense, facilitating the sound growth of aviation industry, and promoting high technology in the aviation industry.

Zou Jiahua said: The CAIC is a gigantic industrial enterprise owned by the whole people and directly affiliated with the State Council. Managed after the pattern of a conglomerate, the main tasks of the corporation are: to draw up the aviation industry's operational strategy as well as research, production, construction, and management plans in accordance with the principles and programs laid by the State Council and the Central Military Commission for defense building and economic construction, as well as with the demand of markets; to operate, manage, and use entire state-owned assets in the aviation industry on commission by the state; to undertake the overall contracting and systems engineering management of models of the state's major new aviation products for continually providing new aviation technology and equipment to army and civilian units; to follow new international trends in the development of aviation high technology for organizing and guiding advanced research, studying and manufacturing new model products, developing new techniques, technologies and materials, and commercializing results of research projects in the aviation industry; and to push subordinate enterprises and enterprise groups to gear themselves to the demand of international and domestic markets, to develop new products and tertiary industries, and to expand exportation of products.

Zou Jiahua said: The aviation industry is a strategic as well as internationalized industry, playing an important role in defense building and national economic development. China has made remarkable achievements in developing the aviation industry in the past 42 years. However, due to various reasons, the condition of our country's aviation industry still lags relatively far behind

the world's advanced level. The aviation industry corporation should bring into full play its dominant role in accelerating the development of the entire industry and striving to bring about a healthy cycle of growth in the aviation industry's economic indexes, technology, production, operation, and sales.

Zou Jiahua urged the aviation industry corporation to work out overall plans and make meticulous efforts to quicken the change of its functions from those of a government institution to a general corporation in accordance with the party Central Committee and the State Council's guiding principles for organizational restructuring, and to set up as soon as possible new mechanisms of managing the enterprise according to economic and legal regulations. Meanwhile, he said, the corporation should boldly assimilate and draw reference from successful experiences of the developed countries in facilitating the aviation industry to converge, as expeditiously as possible, with the international market as far as management modes, operating mechanisms, research and development of products, technical standards and specification, market development, and after-sale service are concerned.

Zou Jiahua pointed out: As the aviation industry is a high technology industry, the corporation should attach great importance to science and technology and do things strictly according to the rules for scientific research. It should ensure a good job in advanced research and development, study and development of new models, and classification and management of follow-up engineering projects at different stages. It should also pay close attention to technical transformation and continually improve the quality of design, research, production, and after-sale service.

As the aviation industry is a comprehensive industry whose development depends on the support of relevant industries, the vice premier urged all trades and professions to work concertedly in rendering necessary support to the aviation industry and turning the CAIC into the largest multinational economic entity in the country.

State Councillor Song Jian and CAIC General Manager Zhu Yuli spoke at the meeting, which was also attended by Li Tieying, Li Peiyao, Chi Haotian, and Qian Weichang.

Article Urges Developing 'Pillar Industries'

HK2207083093 Beijing JINGJI GUANLI in Chinese No 5, 5 May 93 pp 6-9

[Article by Zheng Xinli (6774 2450 4539): "The Cultivation and Development of China's Pillar Industries in the 1990's"—edited by An Luming (1344 6424 2494)]

[Text] I. The New Stage of Economic Growth and Its Major Tasks

After more than 10 years of reform and opening up, gigantic changes have taken place in China's economic

development level and economic pattern, and economic growth has entered a new stage. The major signs of this new stage are: First, agricultural development can basically meet the needs of the people for food and clothing; second, industrial consumer goods have changed from shortage to low-level surplus; third, the output of energy and raw materials ranks in the forefront of the world.

The course of industrialization of many countries has shown that, after the development of agriculture and labor-intensive industries has met the basic needs of the people for food and clothing, that is, when the gross national product [GNP] has reached 300 to 400 dollars per capita, a new leap will appear in its economic growth. Aiming at meeting a new and higher level of consumption demand, this new leap concentrates on developing capital-intensive and technology-intensive industries, thereby ushering in a stage of speedy industrialization for economic development. In analyzing the situation in various ways, China's economy has entered a new stage of speedy industrialization.

Judging from the stage of development of consumption demand, the target of realizing a comparatively affluent level before the end of this century and solving the problems of the people for housing and transportation is now on the agenda. According to sample investigations and public opinion polls, the greatest desire of town and township residents is to improve housing conditions, and the second is that they hope to have telephone services and motor cars as tools of information transmission and communications. Without the development in these new spheres of consumption, it will be impossible to realize the leap of GNP from 300 to 1,000 dollars per capita.

Judging from the present situation of industrial development, China's present total output of coal, cement, and agricultural products ranks first in the world; electric power production ranks fourth in the world; and steel output ranks third. That is to say, labor and power that China's industrial and agricultural production can provide for processing industries already rank in the world's forefront. But the value of industrial growth ranks 11th in the world, behind Brazil. The reason is: low processing depth of products, low technological content, and low level of industrial structure and product mix. Therefore, we can only turn out products equivalent to one-sixth to one-fourth the value of developed countries with the same amount of energy and raw material consumption. During the new growth period, China's industry must shift from an extensive type to an intensive type; shift from key development of primary energy and raw materials such as coal and iron and steel to the direction of developing high added-value products that save energy and raw materials; and shift from general processing industries to processing industries of deep processing and high technological content.

II. New Points of Economic Growth in the 1990's

In the 1990's, it is fully possible for China's economic development to continue maintaining the growth rate of

the 1980's, and for her GNP to reach an annual growth rate of 8-9 percent. Apart from the above conditions, China has an ample supply of technological and labor resources. In funds supply, as China's savings rate is quite high, plus the use of foreign investments, it can also maintain a high rate of investment. As a country of later development, so long as it carries out a correct development strategy, China can greatly shorten the time for industrialization. The experiences of Japan, and those of the "four small dragons" in particular, have fully indicated this point. Moreover, after more than 10 years of reform and opening-up, China's economic system and operational mechanism adaptable to economic development are being established, and her experiences in developing the economy are richer. Therefore, in the 1990's China can take a faster and more steady step in developing the economy than in the 1980's.

In the 1980's, China's economic development mainly relied on the speedy growth of agriculture, light and textile industries, and the building materials industry. In the 1990's, the economy has entered a new stage, and it is necessary to look for new points of growth. As leading industries that promote the development of the national economy, these new points of growth should have the following characteristics: 1) Giving great impetus to production and consumption, the industries are highly interrelated, and have bright market prospects; 2) the products are of high added value and technological content, and are powerful in currency withdrawal; 3) capable of attracting funds, and if the conditions of resources are allowed, it is possible to start the project in the near future; and 4) good economic performance, and favorable to increasing financial revenue.

In the industrial sphere, to cultivate and build up new leading industries, it is necessary to vigorously develop, according to the requirement of the 14th CPC National Congress, mechanical and electronics industries, petrochemical industry, automobile manufacturing industry, and building industry which conform with the above characteristics, and make them the pillar industries of the national economy.

1. China is not too late in starting up the electronics industry, and has put in quite a large amount of human and financial resources, but progress is slow. Compared with the situation abroad, China is lagging behind. The net output of the electronics industry in 1990 amounted to 14.5 billion dollars; that of the United States was 226.3 billion dollars; that of Japan was 158.7 billion dollars; and Korea also reached 26 billion dollars. This industry alone made China's GNP 210 billion dollars less than that of the United States in one year, and 140 billion dollars less than that of Japan, 2.2 times and 1.5 times the value of China's industrial increase, respectively. This can in no way be made up by the development of light and textile industries and other general processing industries.

More important, backwardness in the electronics industry has affected the grade of mechanical products as

a whole, and obstructed the development of information, thereby affecting the technological level of industry as a whole and various aspects of social life. It is the greatest need in the order of industrial development to concentrate efforts on the development of the electronics industry and make it a pillar industry in the 1990's.

In the mechanical industry, we should take communications and telecommunications equipment, energy equipment, chemical industrial equipment, and other large complete sets of equipment as the key of development and develop mechanical and electronics products according to the requirement of the integration of the mechanical and electronics industries. Ship-building is a technology-intensive and labor-intensive industry, and China has favorable conditions for the development of the ship-building industry. To speed up the development of the ship-building industry, not only can China vigorously develop the shipping business, it can also become a strategic industry for export.

2. The petrochemical industry is an important sector of modern industry, and developed countries in general have given priority to its development as a pillar industry. During the four decades from 1950 to 1990, the steel output of the whole world increased three-fold, and the output of ethylene and plastics increased by 60 times, because plastics that could replace steel were only half the cost. The proportion of steel replaced by plastics abroad has reached 50 percent, but less than 10 percent for China. China's ethylene output not only lags far behind that of the United States, Japan, and other developed countries, but also lags behind that of Korea. Backwardness in the ethylene industry has rapidly increased the demand for steel. The speedy development of the iron and steel industry has brought great pressure to bear on energy and transportation, and, macroeconomically, it is not worthwhile. In petrochemical products, the small proportion of refined petrochemical products is also an important expression of backwardness in China's petrochemical industry. In developing the petrochemical industry, we must put refined chemical industry in an important position, which is an important way to improve the economic performance of the petrochemical industry.

3. The automobile industry is a backward link that stands out sharply in China's industrial structure, and China cannot but import automobiles with its valuable foreign exchange. In the current stock of automobiles, imported automobiles account for about one-third. In 1992 China produced 1 million motor vehicles, but it spent 2.5 billion dollars importing spare parts. The money spent on importing each automobile is equivalent to the investment required for building an automobile factory in China to create the production capacity of one automobile. Since its founding, the PRC has spent over 20 billions dollars importing automobiles. China's present output of motor vehicles is equivalent to 1/18 that of Japan. Korea started developing an automobile industry in the 1960's, 10 years later than China, but its present output of motor vehicles is more than two times

that of China, and automobiles have become Korea's first products for export, and 70 percent of families in Korea own cars.

The automobile is a typical product of high added value; automobile ownership is an important sign of modern industrial civilization. China's present level of development of the iron and steel industry, chemical industry, mechanical industry, and petrochemical industry has provided the prerequisites for great development of the automobile industry. Only such expensive commodities as automobiles can adequately attract the over 1 trillion yuan deposits in the hands of residents. Experiences abroad have proven that when the GNP reaches 1,000 dollars per capita, cars start entering families. The per capita GNP has reached over 1,000 dollars in China's Pearl River Delta, areas in southern Jiangsu Province, and in Hangzhou, Jiaxing, and Huzhou areas, and in some suburban areas. Cars entering families play a decisive role in stabilizing market prices. Obviously, the time is ripe for great development of China's automobile industry.

4. The building industry is a labor-intensive industry. In China, the building industry should be one of the powerful pillar industries. The building industry abroad generally accounts for over 20 percent of GNP, and China's building industry now accounts for only 5 percent. The crucial factor that affects the development of the building industry is that living quarters in cities and towns are part of the welfare benefits, and that they are not commodities. Production, circulation, distribution, and consumption of living quarters cannot enter benign circulation. We should promote the speedy development of a building industry through housing merchandization reform according to the requirement of the law of value. Improvement in the living conditions of residents is an important aspect to realize a comparatively affluent level before the end of this century. Housing system reform should be quickened, and wage and distribution system reform should be carried out at the same time. Welfare subsidies in housing should be changed into wage income, and supply and demand should regulate the prices of living quarters so as to alleviate the contradiction of unfair distribution in living quarters, and a part of the residents' income should be changed into investments in living quarters construction to support the development of the business of housing construction. Building industry includes the construction of social infrastructure, which should also take the road of public raising of funds and compensation of value. Over 1,000 bridges were built in the 1980's in the Pearl River delta, which has consigned the automobile ferry to history. They rely on the method of "maintenance of bridges by bridges." [as published] This experience merits popularizing.

The four pillar industries are leading industries in the new stage of economic growth, and are new points of economic growth. To develop these four major industries, there is market demand, and the industries are highly interrelated. They will inevitably promote the

speedy development of China's industries and the national economy as a whole in the 1990's.

III. Development of Pillar Industries Requires Powerful Industrial Organizations and Policies

Apart from new materials and other trades in electronics and petrochemical industries, the four major pillar industries generally belong to traditional industries which are technologically mature. To give play to the superiority of later development, we should formulate clear-cut industrial policies to speed up the cultivation and development of pillar industries by macroeconomic regulation and control and policy guidance, and use administrative means when necessary. Of course, the premise for government macroeconomic regulation and control and administrative and organizational means should not hinder the functions played by the market mechanism. It is necessary to make full use of the basic functions played by the market mechanism over allocation of resources and concentrate various kinds of productive factors through market competition on enterprises of advanced technology, high level of management, fine product quality, and low cost to heighten the market occupancy rate of advanced enterprises by giving them support so that there will be no room for the survival of backward enterprises and products. This is the only effective method to overcome the following phenomena in the construction projects at present: small projects, scattered projects, and ones regressing technologically.

It is necessary to organize the construction of pillar industries according to the principle of scale economy. The four pillar industries are typical industries that have marked performance in economic scale. Take the automobile industry, for example: only when annual output reaches 300,000 cars can specialization and socialization be realized in the production of spare parts, can production cost be greatly reduced, and can products have competitive power in the international market. The economic scale of ethylene should be an annual output of over 300,000 tons, and the largest scale abroad has exceeded 700,000 tons. After the resumption of China's signatory status in GATT, and under the circumstances that foreign products are allowed to enter China, those construction projects that cannot reach the requirement of economic scale are destined to have no future. Therefore, the principle of economic scale should be an important principle in developing pillar industries.

To reorganize existing enterprises according to the requirement of specialization and socialization are important measures for developing pillar industries. These four industries in China have quite large production capacity and solid basis, and their geographical distribution is basically rational. The problem lies in being excessively scattered, and various enterprises are keen on being "large and complete," and "small and complete," products and equipment are aging, and enterprises are overstaffed. We should center on new products

that have bright market prospects, organize those inter-related enterprises, break free from the restriction of regions and departments, and develop horizontal integration. In the electronics, mechanical, and automobile industries there are many factories at present, but very few are enterprises of mass production, specialized, and high-level. We should get the same kind of enterprises organized through coordination by various levels of government according to the economic law and the principle of sharing benefits and risks together. To overcome the restrictions brought about by local government responsibility for all expenses, we should reform the taxation system and change the present way of collecting circulation tax based on places of origin to mainly collecting income tax from operators and investors in places where their enterprises are located so as to enable the local governments to support from their own interests horizontal investments and integration between enterprises.

To develop important new technology and new products, we should organize forces in a unified way in the whole industry to tackle key problems in scientific research. For example, to master the manufacturing technology of key components and devices of integrated circuits, we should concentrate human, material, and financial resources to effect a breakthrough, and share the results of research together. It is extremely costly to develop this kind of key technology, and not a single enterprise or research institution is competent for the job. In a socialist country like China, such kinds of key task forces should be better organized. To quicken the speed of technological progress, we should actively strive to import technology. However, foreign countries generally are unwilling to sell truly advanced technology. For the development of important technology of the electronics industry, we should rely on our own efforts. We may also invite foreign specialists, especially Chinese specialists of foreign nationality, to do research and development with us together.

Projects construction should follow the requirement of shortening the construction period as much as possible and reach particular investment strength. Either we should do nothing, or do it at full speed. Going into operation one day earlier means one day earlier in the recovery of funds. If the construction period is lengthened, the burden of loan interest becomes heavier. It is an important experience that full preparations are made in various aspects, and that once construction starts, every second counts.

IV. Build a Highly Efficient and Flexible Mechanism for Investments and the Merging of Funds

Pillar industries are mostly funds-intensive industries. To develop pillar industries it is necessary to vitalize the funds market and build up an improved mechanism for investments and merging of funds so that the proprietors of enterprises or construction projects can speedily acquire the funds required from the market.

The shareholding system is an important form of raising funds. We should select from among the major construction projects already laid down by the state in the Eighth Five-Year Plan and the 10-Year Program, some projects that are expected to have a higher rate of investment recovery, and make joint investments between the central authorities, the local authorities, and enterprises, and share profits and employment quotas according to investment amounts. Building organizations can be determined by the method of public bidding. It is necessary to expand the experiments of the stock market, and to change the situation of demand far exceeding supply in China's present stock market. However, according to China's state conditions, in the foreseeable future, enterprise funds should primarily come from indirect merging of funds, and the proportion of direct merging of funds should remain at a low level. Even in a country with a developed stock market like Japan, the proportion of direct merging of funds occupies about 30 percent of the total source of funds of enterprises and the remaining 70 percent come mainly from loans granted by banks and other monetary organizations. Based on long-term observation, enterprises that have a higher proportion of indirect merging of funds are stronger competitors. According to China's practical situation, it is necessary to appropriately develop enterprise fund merging by shares to build up social supervision over enterprises and to open up new channels for the merging of funds. However, in the long run, we should look upon indirect merging of funds from banks as the main channel for enterprises to obtain funds.

To give play to the basic functions of the market in the allocation of resources, and to guide social funds to pillar industries and enterprises with good economic performance, enterprises should be allowed to raise funds by issuing bonds, including raising funds by the method of "selling green seedlings." Take China's automobile industry, for instance: Although it has been decided that emphasis should be placed on "three larges and three smalls" and "two minis" for the development of China's automobile industry, there generally exists the problem of insufficient strength of investment. Enterprises should be allowed to issue bonds, or to issue automobile bonds that give priority to the supply of automobiles within a number of years as preferential terms, which definitely would be of strong attraction to social funds. It is necessary to open up multiple channels for the merging of funds for pillar industrial enterprises by building up a flexible mechanism for the merging of funds.

It is necessary to encourage the state's investment banks to provide appropriate discounts and subsidies with which to support pillar industries for some enterprises and construction projects that are long term and low rate, but good in social performance. Other general construction projects mainly use loans from commercial banks.

Using large amounts of foreign investments is an important source of funds in developing pillar industries. The automobile, building, and general petrochemical industries have

already become sunset industries in certain developed countries. It is necessary to attract them to invest in China, or for China to purchase their second-hand equipment. We should actively strive to get the buyer's credit to speedily develop China's pillar industries by using resources and production capacity overseas.

Labor Minister Reports Gains for Female Workers

OW2207034693 Beijing XINHUA in English 1536 GMT 21 Jul 93

[Text] Beijing, July 21 (XINHUA)—China has made marked progress in protecting its 56 million women laborers over the last five years, according to Minister of Labor Li Boyong.

China promulgated the regulations on the protection of women workers in 1988.

A sample survey conducted among 2,000 enterprises nationwide showed that 80 percent of women workers in these enterprises were fairly treated during pregnancy and while on maternity leave.

Some 83 percent of the enterprises strictly followed the regulations; 93 percent of the enterprises have set up a regular health-check system for women workers; 96 percent of the enterprises gave women maternity leave of over 90 days.

The protection facilities for women laborers have been greatly improved, according to the minister. Women who are in menses are no longer assigned tasks that are harmful to their health.

To better guarantee women's interests, according to Zhang Ruiying, vice-chairwoman of the All-China Federation of Trade Unions, the state has conducted a series of reforms in this field. The most important reform has been the establishment of a unified social fund for women on maternity leave.

The fund relieved enterprises of heavy financial burdens and ensured the continued employment and financial care of women workers.

However, both the minister and the vice-chairwoman said that many problems still exist in protecting women workers. In some enterprises, particularly foreign-funded enterprises and township-run enterprises, women workers are often overworked. The minister called upon the enterprises to protect women in a better way. He said the state strictly prohibits enterprises from improving economic efficiency at the expense of the interests of women workers.

The minister stressed that any person who violates the interests of women laborers will be severely punished.

Newspaper Advertising Industry Sees 'Rapid Progress'

OW2207120693 Beijing XINHUA in English 1152
GMT 22 Jul 93

[Text] Haikou, July 22 (XINHUA)—China's newspaper advertising industry has witnessed rapid progress in the wake of the development of the market economy.

Statistics show that in 1991 there were 1,298 advertising agencies in the country, with a total business volume of 680 million yuan (about 118 million U.S. dollars)-worth; in 1992 another 241 opened for business, bringing the total business volume to 1.62 billion yuan-worth.

According to a meeting of the press committee of the China Advertising Association, held here Wednesday [21 July], a marked breakthrough is expected in this field this year as advertisements carried by provincial newspapers are expected to bring in over 100 million yuan for the industry this year, the meeting was told.

To meet these rapid developments, the newspaper committee has held training courses consecutively in Beijing, Xian and Shenzhen to provide qualified workers in this field.

The newspaper committee and the academic committee of the China Advertising Association have also held a series of activities to encourage exchanges among different press units.

In an effort to promote contacts with international advertising circles, the China Advertising Association sponsored the first China international advertising seminar in 1991.

Meanwhile, the newspaper committee has worked out a series of measures to strengthen control over advertising rates.

Tourism Official Reports Rise in Number of Visitors

OW2207112793 Beijing XINHUA in English 1113
GMT 22 Jul 93

[Text] Beijing, July 22 (XINHUA)—Tourism earned China a record 1.69 billion U.S. dollars in the first five months this year, up 22.2 percent over the same period of the previous year.

This marked another success following last year's tourism boom, said Cheng Wendong, deputy-head of the State Administration of Tourism, who was attending here today the awards ceremony for an international photography contest titled "China In My Eyes".

The official said that tourism in China this year is characterized mainly by the tourism boom in the state's central and western areas, which include provinces and autonomous regions of Tibet, Qinghai, Gansu and Xinjiang.

The vice administrator made public that from January to June this year, Tibet received a record 6,000 overseas tourists, which represented a sharp increase of 54.8 percent over the same period last year, while the national rate of increase up to May was 9.6 percent.

China's flourishing tourism was vividly reflected in the 3,000 photos taken by over 1,000 overseas tourists from 50 countries and regions the world over, said the official.

According to organizers of the contest, "herding cattle," "dancing with retirees," and "two housewives talking on the road" taken by Malaysian, Australian and Italian tourists won top prizes.

Hu Jintao Urges Rural Youths To Use Technology

OW2107084293 Beijing XINHUA Domestic Service in Chinese 1155 GMT 15 Jul 93

[By RENMIN RIBAO reporter He Jiazhen (0149 0502 2973) and XINHUA reporter Zheng Qingdong (6774 1987 2639)]

[Text] Beijing, 15 Jul (XINHUA)—At a discussion with a group of representatives to the national work conference of young leaders of the Spark Program at the Huarentan Hall in Zhongnanhai today, Hu Jintao, member of the Political Bureau Standing Committee and the CPC Central Committee Secretariat, said: Young people in the countryside are the major force for accelerating technological progress; and they carry the hopes for rural and agricultural modernization. We should mobilize young people in the countryside and organize them into a mammoth contingent of agrotechnicians to boost science and technology in rural areas, promote the agricultural sector, and develop village and township enterprises.

Some 50 young representatives of advanced collectives and individuals in carrying out the Spark Program from all over the country gathered this afternoon to freely air their views and exchange experiences. Among them Wang Kaihu, He Jiansheng, Wu Zhigong, Yang Xuesong, Liu Yanli, and Gao Xuyu spoke at the discussion.

After listening to their views, Hu Jintao spoke. He said: The current economic situation in the country is good in general. On the basis of last year's high growth rate, the national economy has maintained the strong momentum for growth. However, a number of prominent contradictions and problems have emerged in the course of advance. The party Central Committee and the State Council have paid close attention to these problems and are taking action to resolve them. In accordance with the arrangements and requirements made by the party Central Committee and the State Council, we should actively, comprehensively, and correctly implement Comrade Deng Xiaoping's important talks and the 14th CPC National Congress guidelines, adhere to the integration of ideological emancipation and seeking truth from facts so as to take advantage of the present good

opportunities to speed up the reform and opening up and to achieve a sustained, rapid, and healthy economic development.

Hu Jintao emphasized: Science and technology are crucial for our socialist modernization drive. In revitalizing the rural economy in all sectors, it is necessary to rely on scientific and technological progress. The task of promoting science and technology in the countryside depends on the sedulous efforts of rural scientists and technicians, the diligent work of agrotechnique service teams, and the creative labor of the masses of people in putting science and technology into practice.

Hu Jintao said: The young Spark Program leaders' activities are a project to promote technological progress and to bring up cross-century gifted and able people in rural areas. Rural youths are urged, first of all, to foster noble ideals. They should aspire to change the outlook of the countryside by bringing into play their wisdom and talent in the course of developing a socialist market economy in rural areas and building a new socialist countryside. Second, they should study assiduously. They should arm their minds with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. In the meantime, they should study the knowledge related to socialist market economy, general knowledge, and modern science and technology, so that they cannot only become pace-setters in studying and applying science and technology, but also spread science and technology and help more farmers become prosperous through application of advanced agricultural technology. Third, they should develop the pioneering spirit. They should inherit and display the good traditions working hard, practicing thrift, and daring to sacrifice. At the same time, they should firmly resist the inroads of decadent concepts such as hedonism, money-worship, and extreme individualism; and strive to become a new generation of people who have discipline, ideals, sense of morality, and general knowledge, and to be role models in fostering healthy practices of society.

Wen Jiabao, alternate member of the Political Bureau and member of the CPC Central Committee Secretariat; and Song Jian, state councillor and minister in charge of the State Science and Technology Commission, attended and spoke at the discussion. Wen Jiabao said: In stepping up the effort to spread science and technology in rural areas, it is necessary to bear in mind the following: 1) It is necessary to steadfastly implement the strategy of revitalizing agriculture with science and technology; 2) it is necessary to improve service networks with advanced science and technology; 3) it is necessary to stabilize the contingent of agrotechnicians in rural areas. These three points are of extreme importance for the current production and future development of agriculture.

The discussion was officiated by Li Keqiang, first secretary of the Communist Youth League Central Committee.

Prior to the discussion, leading comrades Hu Jintao, Wen Jiabao, and Song Jian met with all representatives

to the national work conference of young leaders of the Spark Programs and had pictures taken with them.

Wen Jiabao on Using Science To Develop Agriculture

OW2107034493 Beijing XINHUA in English 0259
GMT 21 Jul 93

[Text] Beijing, July 21 (XINHUA)—China will persist in the policy of relying on science and education to boost its agriculture, said an official of the Communist Party of China (CPC).

Wen Jiabao, an alternative member of the Political Bureau of the CPC Central Committee, said that China must attach great importance to agriculture while implementing the recent decision of the CPC Central Committee on deepening reform and strengthening macro-control.

Wen, who is also a member of the Secretariat of the CPC Central Committee, made the remarks during a visit to the China Academy of Agricultural Sciences, the country's leading agricultural scientific research body, here yesterday, according to today's "PEOPLE'S DAILY" [RENMIN RIBAO].

He said, to strengthen the fundamental status of agriculture is of special significance in solving the current major problems and contradictions in the economy, promoting reform and opening to the outside and economic development.

It is imperative to strengthen construction of agricultural infrastructure, ensure agricultural funds and promote a coordinated development of agriculture and industry through macro-control, Wen said.

He added that the development of agricultural science and technology should serve the rural areas, farmers and agricultural production alike.

In return, agricultural production should rely on science and technology to raise productivity and comprehensive economic efficiency.

He called for extra efforts to spread new technologies, develop rural education and improve farmers' cultural standards.

He also stressed the importance of strengthening basic research in agricultural science and technology.

Wen spoke highly of the great contribution of Chinese scientists and technicians to the development of national agricultural production.

The China Academy of Agricultural Sciences now has 37 institutes and over 5,700 scientists. Since 1985 the academy has completed 1,216 research projects.

Progress in Implementing 'Spark Program' Discussed

OW2007144393 Beijing XINHUA Domestic Service in Chinese 0714 GMT 18 Jul 93

[By correspondents Yang Zhaobo (2799 0340 3134) and Yang Ning (2799 1337)]

[Text] Beijing, 18 Jul (XINHUA)—Reporters have learned from the State Science and Technology Commission that the Spark Program—designed primarily to stimulate the rural economy through science and technology—has produced good results in developing our country's rural economy. Following Comrade Xiaoping's talks during his southern tour, we have continuously searched for a new system suitable for the socialist market economy in the course of implementing the Spark Program. We have scaled new heights on the basis of current progress, thus laying a solid foundation for expanding the program during the "Eighth Five-Year Plan."

According to the State Science and Technology Commission, the country had instituted 42,389 projects related to the Spark Program—including those from previous years—by the end of 1992, for an average of 19 per county. More than 90 percent of the rural areas in the country have launched activities pegged to the Spark Program. Experts believe that sparks emanating from the program are now intense enough to start a prairie fire. In 1992, the country designated a record number of 7,698 projects under the Spark Program, increasing investment in related projects to 9.378 billion yuan after breaking the 5-to-6-billion-yuan mark of recent years. Governments at all levels have stressed efforts to guide investment to relevant sectors, banks have raised investment in pertinent projects, and enterprises have improved their ability to expand independently through such projects.

Large-scale implementation of the Spark Program has led to a rapid expansion of our country's rural economy. The vast numbers of peasants have heightened their sense of science and technology, leading to the popularization of new technologies and products and sharp increases in economic returns. The sight of peasants with "chickens in their left hands and ducks in their right hands"—which was once commonplace in the countryside—has faded as peasants speak of "the need to acquire technology in order to prosper." Peasants have hastened the process of stimulating and expanding the rural economy through active support for and coordination with the state's implementation of projects under the Spark Program. While the number of projects brought to completion across the country declined slightly in 1992 from 1991, the economic returns generated by those projects increased significantly, raising the output value by 17.1 billion yuan, or 43 percent, and profits and taxes by 3.9 billion yuan, or approximately 56 percent. Foreign exchange receipts earned from exports and savings totaled \$850 million, representing a

124-percent increase, and 5 million technical and managerial personnel of various types were trained for rural areas.

Aside from guiding the demonstration of related projects and popularizing relevant technologies, the state has tightened macroeconomic regulation and control over the Spark Program and strengthened management measures. After conducting field surveys in a wide range of areas, sharing experiences through informal discussions, and holding discussions with specialists, the state promulgated "Some Ideas on Further Emancipating the Mind and on Accelerating the Pace of Thoroughly Implementing the Spark Program," thereby taking a significant step toward completely implementing the Spark Program. By establishing a state demonstration zone in Hainan for the Spark Program, the state has also improved guidance over the development of an economy of scale and a market economy, and has upgraded the Spark Program to international standards.

Joint Circular Urges Improving Agrotechnique Service

OW2107042193 Beijing XINHUA Domestic Service in Chinese 0446 GMT 17 Jul 93

[Text] Beijing, 17 Jul (XINHUA)—Recently the Ministries of Agriculture, Forestry, Water Resources, Personnel, and Finance and the State Planning Commission issued a joint circular, calling on all localities to comprehensively implement the law for popularizing agricultural technology and to further stabilize the agrotechnical service network.

The agrotechnical service network is composed of organizations managing and popularizing technology for use in agriculture, forestry, animal husbandry, fishery, farm machinery, and irrigation; and it is an essential force for revitalizing Chinese agriculture with science and technology. The joint circular urges all localities to comply with the following requirements:

1. Relevant departments of local governments at all levels should comprehensively implement the provisions of the law for popularizing agricultural technology; effectively strengthen the leadership over agrotechnical service; and take practical measures to maintain the scale of organizations popularizing agricultural technology and the size of their technical personnel. In the course of reform, it is necessary to guard against the drain of specialized technical personnel from the frontline of agricultural production.
2. As agrotechnical service is a way for the state to nurture agriculture, state organizations dedicated to such endeavor should provide service to peasants free of charge except as otherwise stipulated by law. Expenditures needed for maintaining the organizations should be appropriated from state finance, and should not be arbitrarily cut off from the state. The amount of expenditures should not be decreased, but should be continuously increased along with the growth of state finance.

3. Township (town) agrotechnique service organizations are components of the state agrotechnique service network; they are state institutions at the grass-roots level. In line with the spirit of documents issued by the State Council and its departments concerned, relevant departments of local governments at all levels should pay close attention to maintaining the scale of agrotechnique service stations and the size of their personnel. Only specialized technical personnel should be recruited to replenish township (town) agrotechnique service organizations; appointment of nonprofessional personnel is forbidden. Personnel can be employed only after passing examination or evaluation.

4. Township (town) agrotechnique service organizations should be managed according to the system of cooperation between township (town) and county governments and dual leadership. It is necessary to clearly differentiate the managerial functions of the governments at these two levels so as to bring into play the enthusiasm of both levels.

The circular emphasizes that assets of township (town) agrotechnique service stations belong to the state (collectives), and indiscriminate transfer of the assets by any department is forbidden.

Daily Opens New Column on Water Resources

'Editor's Message'

HK2207054993 Beijing RENMIN RIBAO in Chinese 5 Jul 93 p 2

["Editor's Message to Readers on Opening a New Column: Let Water Flow Smoothly"]

[Text] How should water resources development be speeded up to serve the national economy in scaling a new height? While carrying out construction, water resource departments should further deepen their reform and widen their opening. For this reason, the RENMIN RIBAO Economic Department and the Ministry of Water Resources have opened a new column entitled "Water Flowing to the Market" reporting on the new situations and new experiences of water resources departments in reform and opening up.

The nucleus of reform in water resources departments is to speed up their transformation toward the socialist market economic structure. In the course of this transformation, there is a need to acknowledge that water is a commodity and to change the habit of providing gratuitous water supply into providing it as a compensatory service. Updating the concept plays a decisive role. In a country like ours, which is short of water, water is not regarded as a commodity in many localities; instead, it is regarded as a kind of welfare. The price of water is the lowest. One fen can buy one metric tonne of water. This price is scarcely half of the production cost and the actual recovery rate is only half a fen. This excessively low price has caused a serious waste of water resources, water conservancy projects have remained outmoded

and unrepaired for a long time, and water resources, which are already in great demand, have fallen even shorter of supply. Now people are concerned about the bottleneck situation in transportation, power supply, coal, and other basic industries. In the future, this "bottleneck" restricting the overall development of the national economy will, to a great extent, manifest itself in the shortage of water resources. Therefore, making water flow toward the market as soon as possible is an urgent matter.

In catering to the market economy, water resources departments have much to do. They have to continue water price reform and speed up the pace of water price reform; they have to establish a water resources management system as soon as possible and improve it and stop the practice of "everybody drinking water from the same big bowl"; and they have to adjust their internal production structure, use water supply charges to maintain water supply, and use power supply charges to maintain power supply. Hopefully, article contributions will not deal with every aspect of problems, but will concentrate on key points and be linked to practice. In this way, articles will have penetrating views. A piece of information, a report, or an article will all do, preferably with about 1,000 characters. We welcome our readers' contributions, which should be sent to the RENMIN RIBAO Economic Department (postal number: 100733). Please mark "Water Flowing to the Market" on the envelope.

Article Urges Commercializing Supply

HK2207055393 Beijing RENMIN RIBAO in Chinese 5 Jul 93 p 2

[Column on "Water Flowing to the Market" by Si Yanhui (0674 5888 2585), Yan Shengting (7051 4141 7200), and Li Ping (2621 1627): "Turning Welfare Water Into Commodity Water—Notes on Water Supply in the Zichuan District of Zibo City, Shandong"; first paragraph is RENMIN RIBAO editor's note]

[Text] Regarding water as a kind of welfare or commodity involves two different ideas in water conservancy work. In the past, due to historical reasons, water was regarded purely as "welfare." In present-day water conservancy work, "welfare" cannot be completely ignored. But viewed from the angle of a socialist market economy, water conservancy work will have a long-term development force and benefit millions only when water is commercialized. Zichuan's success is an example.

In the Zichuan District of Zibo City, Shandong Province, the time in which water was regarded purely as a kind of welfare for many years has ended. Water conservancy has become a new type of industry in which welfare has been turned into commercialization of water supply, water conservancy work is run on an enterprise basis, and the protection, development, and management of water resources are unified. New vitality has emerged in the entire area's water conservancy work.

Like the rest of the country, the water conservancy facilities built through labor investment in the people's commune period in Zichuan had remained unrepaired for long years. Eight out of ten were destroyed and the effectively irrigated areas reduced from more than 200,000 mu to 60,000 mu; during the dry season each year, 80,000 to 100,000 people in its mountainous areas were short of drinking water; district, township, and town governments had to mobilize hundreds of trucks to get water from afar.

Drought not only affected water supply for agriculture and the masses, even the vigorously developing township and town enterprises felt its threat. Water supply needed to be resolved. People in Huangjiapu township took the lead. They developed water resources in three locations, dug four wells, built three reservoirs, and laid 16 km of water pipes, thus forming a water supply network under unified management with a daily supply of 2,000 metric tonnes of water, enabling each household to have tap water. To improve the people's mentality about saving water, the township government established a water supply center to take charge of water pipe maintenance and collect water supply charges.

To collect water supply fees in order to maintain water supply, the crux is to commercialize water. He who uses water must pay. This is perfectly justified. Chiefs of township and town enterprises were no longer worried about frequent cuts in water supply or kept busy because of these cuts; they were willing to pay for water. Ordinary people knew that water supply had been made available by huge investment, so they felt it reasonable to pay for water. The township water supply center could net 130,000 yuan a year from water charges after allowing for depreciation and consumption, thus compensating for water supply costs and making it possible to reserve an impetus and force for future development.

Soon Zichuan's experience was popularized. But the entire area needed to resolve more complex problems. Multiple management of water supply, imbalanced distribution of water resources, and an irrational water conservancy system had all confused management over water supply. Moreover, some still thought that "water falls from the sky so everyone is entitled to use it," which had been believed for years. In a county area larger than

a medium size, it was arduous to list water in the category of commodities and to put it into effect.

The Zichuan District formulated a program to materialize socialized water supply in townships and towns in three years. A large investment was necessary for the water supply project, so they mobilized collectives and individuals for capital accumulation and coordinated the use of voluntary and industrious work. In last two years they have dug 30 wells, built 40 reservoirs, and laid 1.15 million meters of water pipes, thus forming comparatively independent water supply networks in 23 townships and towns of the district, with a daily water supply capacity of 136,000 metric tonnes. Over 90 percent of the rural areas under the district jurisdiction have tap water and water supply for production is ensured in 350 township and town enterprises, as it is for irrigation of 28,000 mu of farmlands.

Water is a kind of commodity. The unit carrying out the production and management of water is an enterprise. More than 30 water supply centers and companies in the district, townships, and towns are separated from government institutions and have become operational bodies. Taking water supply as their main business, they engage in diversified operations, carry out independent accounting, and assume sole responsibility for their own profits and losses. The 23 township and town water supply centers alone have an annual income 62 million yuan and can materialize profits of 3.2 million yuan. Together with incomes from diversified operations, their total income last year topped 100 million yuan, the profits materialized being 10 million yuan. At the end of last year, their average assets amounted to 3 million yuan, of which 200,000 yuan was self-possessed capital accumulated through self-operations. Their staff members' and workers' income is stable. They are working with confidence. Water conservancy business has formed its own comparatively strong coherent force.

The socialization of the water supply project in the Zichuan District has brought much benefit to its 667,000 people. Zichuan has won a positive reputation among the country's 100 districts with competitive township and town enterprises and among competitive economic zones in Shandong Province. This should first be attributed to "water."

East Region

Fujian Secretary on Foreign Affairs Legislation *HK2107084893 Beijing ZHONGGUO XINWEN SHE* *in Chinese 0800 GMT 10 Jul 93*

[By reporter Sun Xianxun (1327 6343 6598): "Chen Guangyi Says Fujian Will Further Formulate and Improve Laws and Regulations Concerning Foreign Affairs"]

[Text] Fuzhou, 10 Jul (ZHONGGUO XINWEN SHE)—Departments concerned of Fujian Province will, for some time, grasp firmly the formulation and improvement of laws and regulations concerning opening to the outside world, especially those related to Overseas Chinese and foreigners.

Chen Guangyi, secretary of the Fujian Provincial CPC Committee and chairman of the Fujian Provincial People's Congress, said today that the province will stress the proper formulation of a series of laws and regulations concerning land management, labor management, and environmental protection; regulations on the management of foreign-invested enterprises, administration of real estate investment, development and management by overseas businessmen; and laws and regulations on protecting the legitimate rights and interests of Overseas Chinese and overseas businessmen for special economic zones, coastal cities open to the outside world, and economic and technological development zones in order to ensure by legal means further opening to the outside world of the province.

Fujian is separated from Taiwan only by the sea, and exchanges between the two provinces have increased with each passing year. Chen Guangyi held that Fujian should, proceeding from the promotion of the great cause of peaceful reunification of the motherland, grasp firmly the formulation of Taiwan-related laws and regulations, especially those concerning the development of economic relations and trade, and cooperation in culture, science, and technology between Fujian and Taiwan, the strengthening of Fujian-Taiwan operations and public security on the sea, and the safeguarding of legitimate rights and interests of Taiwan compatriots.

Fujian Province held a legislation work conference today. Chen Guangyi said that Fujian should, in its legislation work, earnestly draw on and use as reference experiences in legislation of foreign countries, Hong Kong, and Taiwan, and should pay attention to convergence with relevant international laws and norms. So long as they are conducive to the development of the market economy and are urgently needed by the market economy, we should boldly use them for reference or have them transplanted.

It is learned that Fujian Province will, as soon as possible, also formulate a number of economic laws and regulations concerning the standardization of markets

and the safeguarding of fair competition and on protecting citizens' rights and interests and strengthening the building of a clean government, including regulations of commodity market management, methods for management of brokers, and technology market management.

It is also learned that this year, Fujian has made plans for the legislation of 21 laws and regulations and 13 of them are economic ones.

Private Sector Develops in Jiangsu's Nanjing

HK2107125293 Beijing ZHONGGUO XINWEN SHE
in English 0813 GMT 21 Jul 93

[Text] Nanjing, July 21 (CNS)—According to the municipal government, with the government's encouraging policies, Nanjing, capital of Jiangsu Province, has seen rapid development of its individually-run and privately-run enterprises. By the end of last month, such enterprises numbered some 78,000 with over 130,000 employees and registered capital of RMB [renminbi] 200 million.

The business value of individual industrial and commercial households in the city last year was RMB 1.36 billion and their sales value was RMB 1.22 billion. The industrial output value earned by the city's privately-run enterprises reached RMB 75 million, their business value over RMB 100 million and their sales up to RMB 33.44 million, making the year the best period for the private economy in terms of its economic results since reform and opening. Individual and private enterprises in the city have stabilized with those engaging in tertiary industry reaching 88 percent of the total. The city's Pukou garment manufacturing town with more than 15,000 individual industrial and commercial households becoming the biggest individual garment market in the country.

With many intellectuals leaving their old jobs to engage in business, the quality of employees in this sector has been considerably raised. Enterprises engaging in science and technology make up 30 percent of the total in the private sector with their businesses involving culture and education, sports and entertainment, information services and scientific and technological consultancy and other services. Some 80 percent of the investors in these enterprises have titles of assistant engineer or above.

The rapid development of the private economy in the city not only offers a convenience to the public and eases the problem of unemployment but also saves investment by the state while bringing in income for the local government from taxation which last year brought the state rmb 180 million from individual and private enterprises.

Shandong Governor Receives Guangxi Delegation

SK2207074493 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 21 Jul 93

[Text] Provincial leading comrades, including Zhao Zhihao and Ma Zhongcai, held talks in the Nanjiao Guesthouse of Jinan on 21 July with the fact-finding delegation of Guangxi Zhuang Autonomous Region, which is paying a visit to our province. The two parties signed the summary of the talks on further enhancing the economic and technical cooperative relations between the province and the autonomous region.

The 38-member delegation of Guangxi Zhuang Autonomous Region, which is headed by Zhao Fulin, secretary of the autonomous regional party committee; Cheng Kejie, deputy secretary of the autonomous regional party committee and chairman of the autonomous regional people's government; and Liu Mingzu, deputy secretary of the autonomous regional party committee and chairman of the autonomous regional People's Congress Standing Committee; arrived in our province on 21 July. On the evening that day Jiang Chunyun, secretary of the provincial party committee, held a cordial talk with the Guangxi guests.

At the talks held on the afternoon of 21 July, the leading personnel of both sides exchanged their work situation in reform, opening up, economic construction, and party building. Both sides contended simultaneously that along with the development of the socialist market economy and the continuous deepening of reform and opening up, the enhancement of economic and technical cooperation between the province and the autonomous region is pressing and necessary. They agreed that according to the principle of equality, mutual benefit, mutual supplement in strong points, sincere cooperation, and common development, they will actively carry out economic and technical cooperation with multiple channels and styles and at multiple levels so as to promote the common development of the province and the autonomous region.

Shanghai Metals Exchange Grows

OW2107083193 Beijing XINHUA in English 0732
GMT 21 Jul 93

[Text] Shanghai, July 21 (XINHUA)—The Shanghai Metals Exchange, which was set up merely a year ago, has become the third-largest of its kind in the world.

The exchange has handled 12 million tons of non-ferrous metals worth a total of 220 billion yuan. Besides, its operations are internationally standardized. The exchange now ranks only after the London Metals Exchange and the New York Commodities Exchange in size of business handled.

Statistics show that the exchange now has 55 member units and 1,700 customers. In the first half of this year the average business volume of the exchange amounted

to 2.469 billion yuan every day. Starting from the beginning of this month, moreover, the figure has risen to three billion yuan.

The exchange follows the principle of being open and fair. Computers make matches automatically for all the businesses. All the 100,000 transactions concluded here so far have been completed smoothly.

Quotations from the exchange are plugged into the Reuter information network, thus becoming listed on all the major futures markets in the world. Meanwhile, domestic customers can also buy at the exchange non-ferrous metals from futures markets in other parts of the world.

The exchange has only 13 business seats left. Many multinational enterprises and over 600 Chinese enterprises are competing for the seats.

An official from the marketing department of the State Planning Commission said that the Shanghai Metals Exchange ranks first among all the 12 markets at the state level in business volume and authoritative prices.

Zhejiang Issues Document on 'Peasants' Burdens'

OW2207062093 Hangzhou Zhejiang People's Radio
Network in Mandarin 1000 GMT 11 Jul 93

[From the "Provincial News Hookup" program]

[Text] The provincial justice department recently issued a special document calling on judicial administrative office in all localities to provide legal services and guarantees for reducing peasants' burdens. The document urges judicial administrative offices at all levels to coordinate with departments concerned in going all out to publicize the regulations promulgated by the State Council concerning fees (to be collected) from peasants, and to regard the implementation of the regulations as a major task of [words indistinct], so that peasants can effectively arm themselves with the legal weapons to protect their legitimate rights and interests.

The document says: In providing services involving peasants' interests, notary offices in all localities should reject notarization of arbitrary fees and charges imposed on peasants in violation of the central authorities regulations, as well as increased fund retention and other fund-raising items that exceed authorized quotas. In notarizing contracts for purchasing grain, cooking oil, and cotton, it is necessary to see to it that they clearly stipulate promissory notes and other practices violating the regulations as invalid.

The document also calls on legal service offices in all localities to give priority to handling legal affairs involving the reduction of peasants' burdens.

Central-South Region

Guangxi Takes Steps To Curb 'Rampant' Piracy

HK2107124593 Beijing ZHONGGUO XINWEN SHE
 in English 0909 GMT 21 Jul 93

[Text] Nanning, July 21 (CNS)—Piracy has become rampant in the ocean area between China and Vietnam off the Guangxi Zhuang Autonomous Region since the beginning of this year with nearly 30 vessels being attacked, leaving one fisherman dead and five injured and with direct economic losses of up to rmb 1.6 million [renminbi].

According to an official from the regional government, such piracy, unheard of before in this area, has seriously affected the lives of people engaged in fishing for their livelihood.

The pirates, equipped with machine guns, submachine guns, swords and axes seek out vessels travelling alone by day and night.

The Guangxi Government, facing this problem, has set up armed police, navy and militia to give protection to fishing vessels out at work.

Guangxi Radio Reports on Foreign Investment

HK2207003093 Nanning Guangxi People's Radio
 Network in Mandarin 1130 GMT 18 Jul 93

[Text] After the scope and amount of foreign investment in this region reached an all-time high in 1992, foreign investment absorbed by this region in the first half of the year showed another big increase over the same period last year.

According to statistics, in the first half of the year, industrial and commercial administrative departments in the region approved the registration of 1,539 foreign-invested enterprises, involving a total investment of \$4.835 billion, increasing 5.7 times and 13.5 times over the same period last year, respectively. The total registered capital of enterprises amounted to \$3.036 billion, in which \$1.754 billion was subscribed by foreign investors, representing 5.75, 13.5, 11.55, and 11.53 times over the same period last year, respectively. [as heard]

The newly registered foreign-invested enterprises are mostly in the industrial sector, numbering 748 and accounting for 50 percent of the total. Real estate has become the hot spot of foreign investment, as 530 newly registered foreign-invested enterprises are engaged in real estate, public facilities, and residential and consultation services. Most of the investors are from such regions and countries as Hong Kong, Taiwan, the United States, Japan, Thailand, and Singapore.

Since the beginning of this year, this region has strengthened the construction of the infrastructure by concentrating manpower, material resources, and financial

resources on the improvement of energy supply, transportation, telecommunications, and other bottlenecks that restrict the development of the entire region, in a bid to create a good investment environment for foreign investors.

In order to attract more foreign investors to this region, the industrial and commercial administrative authorities have formulated and promulgated preferential policies to attract foreign investment, have appropriately relaxed the permitted scope of business, and have given additional support to those investing in old liberated areas, ethnic minority areas, border areas, mountainous areas, and poor areas. In the meantime, the industrial and commercial administrative authorities have reinforced their service consciousness, have simplified procedures, and have enhanced efficiency, thus boosting foreign investors' confidence in this region.

Guangxi Forum Views Town Enterprise Development

HK2207003693 Nanning Guangxi People's Radio
 Network in Mandarin 1130 GMT 14 Jul 93

[Text] From 10 to 12 July, the regional party committee and the regional people's government called a forum in Nanning on region-wide development of township and town enterprises to sum up and exchange experiences, analyze the situation, discuss countermeasures, take stronger measures, grasp reality, and engage in long-term struggle, realizing the new objective of doubling the output value of township and town enterprises.

During the forum, speeches were made by nine units, including those from Yulin City, Tengxian County, and (Gongguan) town of Hepu County, (Longquan) General Mine Factory of Nandan County, and Rong County Hot Spring General Daily Chemical Product Factory, on their typical experience.

Zhao Fulin and Cheng Kejie made important speeches at the forum. They focused on three issues:

(1) It is necessary to analyze the situation and take the opportunity to surge ahead. Based on last year's rapid growth, township and town enterprises in our province are maintaining a strong development momentum this year. From January to June, the total earnings reached 27,632 million yuan, an increase of 220 percent over the same period last year; the total output value was 25,259 million yuan, an increase of 196 percent; 731 million yuan was turned in to the state, an increase of 114 percent; profits realized were 1,398 million yuan, an increase of 179 percent; and 259 million yuan of exports were delivered, an increase of 130 percent. However, the high-speed development of township and town enterprises in our region was derived from inferior quality and low standards. We must firmly believe that—whether or not Guangxi's social and economic situation can develop at a fast pace—the key lies in township and town enterprises. The potential and hope are in township and town enterprises. It is not easy for township and

town enterprises in our region to have a good trend of high-speed and highly effective development, and we must cherish it. We must seize the opportunity to make progress. As far as the pace of development is concerned, we can develop as fast as possible; we must not slow down if we can develop at a fast pace; and we must do our utmost to strive for the fastest pace of development. There are many difficulties, but, in any case, township and town enterprises in our region this year must double their output value on the basis of that of last year, and total earnings must reach 60 billion yuan.

(2) It is necessary to take stronger measures. First, we must raise funds through multiple channels. The shortage of funds is the most outstanding problem concerning the development of township and town enterprises. We must use every possible means to expand channels for raising funds. Various banks must vigorously support the development of township and town enterprises, must increase loans granted to township and town enterprises as much as possible, and must vigorously promote the experience of Yulin rural cooperation funds. Banks must continue to support, show understanding for, and help these enterprises in construction, and they must standardize them. It is necessary to use funds effectively and flexibly. In township and town enterprises' fund-raising operations, many funds have remained idle or have not been repaid in due time. Enterprises should take the initiative in repaying loans and should put funds into good use. It is necessary to vigorously initiate joint stock and joint stock cooperation enterprises, actively utilize foreign capital, use every possible means to attract foreign capital to initiate foreign-funded enterprises and export-oriented enterprises. Second, we must broaden our train of thought and bring our superiority into play. There are very broad prospects for the development of township and town enterprises which pervade primary, secondary, and tertiary industries and in all rural areas. Township and town enterprises can develop in industry, agriculture, commerce, building, transportation, and sideline production, and the key is to broaden our train of thought, work in accordance with the law of the market, and transform potential superiority into real superiority. Third, we must use policies positively and invigorate the operational mechanism. The flexible mechanism of township and town enterprises is now showing a trend of weakening. Some are trying to develop into small but complete enterprises practicing ownership by the whole people, to blindly set up organizations, and to increase nonproductive personnel. Some enterprises have less and less decision-making power and are subject to excessive interference from township and town authorities. Their accumulation funds are misappropriated and their reserve development strength is insufficient. Some enterprises have exhausted their accumulation funds and thus cannot carry out reproduction on an extended scale. Some are so indiscriminate in their apportionment that enterprises are suffering losses in benefits. Some departments, for the sake of sectoral interests, have adopted such measures as closing, restricting, and pressuring

enterprises. These must be resolutely corrected so that township and town enterprises can operate better amid market competition. Fourth, we must be bold in using talented personnel and developing an economy based on talented personnel. Talented personnel are the backbone element for creating material wealth in society. Hence, to expedite their development, township and town enterprises must be bold in using talented personnel, including those who have committed mistakes but who have professional skills. It is necessary to introduce professional personnel from other parts of the country in addition to using local talented personnel so that they can make great contributions to the development of township and town enterprises in our region. Fifth, we must rely on scientific and technological progress to improve economic benefits. To subsist and develop, township and town enterprises should concentrate on internal reproduction. An important way of doing a good job in internal reproduction is precisely to pay attention to scientific and technological progress, introduce new technology and industry, reduce the consumption of energy and materials, increase labor productivity, and, at the same time, vigorously develop new products and improve the scientific and technological content and their added value.

(3) It is necessary to enhance leadership and to make concerted efforts. To develop township and town enterprises, leadership is the key. Party committees and governments must treat it as an important task, must conscientiously carry out inspection and investigation, must listen to reports, must solve major and difficult problems, and must pay attention to leaders who are responsible for the task. The leading party and government cadres who hold primary responsibility must grasp the task by themselves, and both party committees and governments must each assign a leader to be specifically in charge of the task. Leading bodies that do not do their best in handling the work of township and town enterprises must be reshuffled. The operational departments of township and town enterprises should only be strengthened—not weakened—through organizational restructuring. It is necessary to select a group of cadres from organs, enterprises, and institutions who understand market operations and business management and assign them to manage township and town enterprises. It is necessary for cities and counties to set up service centers for township and town enterprises, establish a responsibility system for developing township and town enterprises, and integrate it with the responsibility system of management by objectives for cadres and with the assessment of cadres' performance. All the departments, while performing their own duties, must give vigorous support to the development of township and town enterprises.

Those who attended this forum included principal party and government leaders of various prefectures, cities, counties, townships, towns, and other concerned departments, comrades in charge of prefectural and city township and town enterprise administrative committees, as

well as some enterprise representatives. Regional party and government leaders, such as Liu Mingzu, Ding Tingmo, Li Zhenqian, Lin Chaoqun, Peng Guikang, Li Enchao, Yuan Zhengzhong, Ma Qingsheng, Yang Yichang, Shi Bingsong, and Liu Hong, attended the forum.

Northeast Region

Jilin Secretary Addresses Trade Union Congress

SK2007115593 Changchun JILIN RIBAO in Chinese
17 Jun 93 p 1

[Speech given by He Zhukang, secretary of the Jilin provincial party committee, at the ninth Jilin provincial trade union congress on 16 June]

[Text] Delegates and comrades:

The ninth Jilin provincial trade union congress has ceremoniously opened today. Let me extend warm congratulations to the congress and cordial regards to all delegates, all trade union personnel across the province, and the broad masses of workers on behalf of the provincial party committee and the provincial government.

This congress is being held under the situation in which our country's reform, opening up, and modernization drive have entered a new stage of development, and the people of various nationalities across the province have deeply implemented the guidelines of the 14th party congress and the sixth provincial party congress. The main tasks of this congress are to mobilize the working class and other workers to firmly and successfully seize the rarely seen historical opportunity for development and reform under the guidance of the theory on building socialism with Chinese characteristics and the party's basic line, promote reform and opening up, accelerate the development of the socialist market economy, and strive to carry out the solemn mission of the people throughout the country: building socialism with Chinese characteristics.

At present, like all parts of the country, Jilin Province has witnessed a very good situation. It has sustainedly and speedily increased its economy, gradually deepened reform, rapidly expanded opening up, unceasingly strengthened the building of the spiritual civilization, increasingly invigorated all undertakings, witnessed social stability, and made all people strive for progress. Although there are many difficulties and problems on our road of advance, the people are high in spirit and full of hopes and confidence, and are working hard to push the economy to enter a new stage and to build a developed border province near the sea.

Under the leadership of the party committees at all levels, the trade union organizations throughout the province have followed the party's basic line and the work principle for trade unions during the new period,

acted in close connection with the central task of economic construction, united with and induced the broad masses of workers to consciously maintain unity with the party Central Committee, actively participated in reform and opening up, and made great contributions to advancing economic construction and safeguarding social stability. Here, let me extend heartfelt thanks and lofty respects to all delegates and the trade union organizations at all levels throughout the province, and, through them, to the broad masses of workers across the province on behalf of the provincial party committee and the provincial government. The provincial party committee hopes and believes that through this congress's efforts to sum up the past work and to discuss the future tasks, the trade unions across the province will act in line with the demand of building a developed border province near the sea, make their work attain a new level, more successfully and comprehensively perform their social functions in four aspects; namely, safeguarding, building, and participating in the economy and educating the workers, and further mobilize and organize workers across the province to strive to realize all tasks put forward by the sixth provincial party congress.

1. Mobilize and Organize the Masses of Workers Across the Province To Give Play to Their Role as the Main Force in Reform and Construction

The working class represents the advanced productive forces and the production relations, and is the main force for building socialist modernization, a pillar for social stability and a solid class basis and reliable strength of the party. To implement the guidelines of the 14th party congress and to build socialism with Chinese characteristics, we must unwaveringly and wholeheartedly rely on the working class. The working class has awareness, a high sense of organizational discipline, and dedicated spirit. Reform is aimed at emancipating the productive forces and promoting economic development. Without the understanding, support, and active participation of the working class, reform will be difficult to succeed, it will be difficult for the economy to enter a new stage, and the objective of building a developed border province near the sea will be difficult to attain. The trade union organizations are urged to further strengthen and improve their work in line with the new situation and new tasks; extensively mobilize the working class across the province to participate in the main battlefield of reform, opening up, and economic construction; and give full play to their role as the main force and pioneers.

The trade unions at all levels should organize the broad masses of workers to conscientiously study the theory on building socialism with Chinese characteristics; change their mind; cultivate new ideas and concepts that are compatible with the socialist market economy; enhance the ideology of reform, opening up, competition and the enterprise community of interest; and strengthen the concept of the legal system and the sense of discipline. We should educate workers to act in line with the "three criteria," to participate in reform with an attitude of being masters of their own affairs, and to actively

support and conscientiously implement the policies and measures for reform and opening up. It is necessary to give consideration to the overall situation; correctly handle the relations between immediate interests and long-term interests, and among the interests of the individuals, the collectives, and the state; consciously safeguard and develop a stable and united political situation; and protect, induce, and boost the enthusiasm of the masses of workers.

We should mobilize the broad masses of workers to give play to their hard-working and pioneering spirit and to make contributions to building the socialist modernization. The pioneering spirit advocated by Comrade Jiang Zemin is an objective demand of the socialist modernization drive and the embodiment of the working class's world outlook and mental attitude during the new period. The trade union organizations at all levels should educate the broad masses of workers to regard building a developed border province near the sea as their own duties, enhance the sense of mission and responsibility, and work hard to make the country strong, to realize the common ideals of the people across the province, and to advance in a pioneering spirit. It is necessary to encourage the broad masses of workers to enhance their sense of being the masters of their own affairs, work diligently, actively participate in the socialist labor emulation drive, and actively offer suggestions for rationalization and conduct technological innovation, invention, and creation activities. We should promote the working class's glorious traditions and encourage them to work hard, to be selflessly dedicated, to bravely shoulder heavy tasks, to work in a down-to-earth manner, to quietly immerse in hard work, and to strive to create first-grade achievements in their work.

2. We Should Strive To Raise the Quality of the Ranks of Workers

To build a developed border province near the sea, we must have a developed economy and culture and a highly civilized social morality and spiritual outlook; to build a developed border province near the sea is an open development strategy, and facing us is acute domestic and international market competition which needs a new economic system and operational mechanism and efforts to rely on the rapidly developed science and technology. Therefore, one of the important duties of the trade union organizations at all levels is to "persist in taking a two-handed approach and be tough with both," and from the perspective of strengthening the competition capacity in the market economy, to pay attention to the ideological and political education and the cultural and professional studies of the broad masses of workers, and to comprehensively raise the quality of the ranks of workers.

The trade unions at all levels should actively coordinate with the party organizations on their own initiative, and through organizing theoretical study and strengthening education on the party's basic line, strengthen education on patriotism, collectivism, and socialism; strengthen

the conviction of the broad masses of workers in building socialism with Chinese characteristics; and make them cultivate ideals, morality, outlook on life, and the concept on value that correspond to the theory on building socialism with Chinese characteristics. It is necessary to actively conduct activities on "making workers learn from Lei Feng in their work posts and to make various trades foster a new work style," urge the broad masses of workers to pay attention to professional ethics, raise service level, consciously observe discipline and law, and follow social ethics. We should actively advocate a healthy, civilized, and scientific way of life, and consciously resist money worshipping and the corrosive influence of decadent ideology. Through propaganda, we should foster advanced models, use the working class's advanced ideology and exemplary role to influence the society, and consciously instill the working class's ideology of being masters of their own affairs and their pioneering spirit into the practice of building a developed border province near the sea. It is necessary to take the lead in cultivating a new image of Jilin people; carry forward the ideology and spirit that are helpful to the socialist modernization drive, the people's unity, and social progress; and give full play to the exemplary role in promoting justice and advancing the building of the socialist spiritual civilization.

We should give priority to raising the cultural and professional level of the ranks of workers. We should actively induce and help workers acquire knowledge and study science and technology, unceasingly expand their knowledge sphere, raise their knowledge level, and have a good command of new skills in carrying out the modernization drive. Efforts should be made to adopt practical and effective measures, assist the administrative departments to do a good job in workers' technical training, conduct on-the-job training, strive to raise the technical skills of workers, and train more technical cadres and experts for invigorating Jilin. We should encourage the broad masses of workers to set high demands, study technology painstakingly, strive to be proficient in professional work, become competent in their work through self-study, comprehensively raise quality, and become laborers with ideals, morality, education, and a sense of discipline that are essential to the socialist modernization drive.

3. We Should Creatively Carry Out Trade Union Work Under the New Situation

Building the socialist market economic system is a profound reform; and building a developed border province near the sea is a pioneering and grand undertaking. Certainly, this will need the efforts of the trade union organizations at all levels across the province to further strengthen self-development and reform, creatively explore new experience for carrying out trade union work in the course of developing the socialist market economy under the new situation, and earn the best work achievements that meet the development needs.

We should give prominence to the work priorities and concentrate main energy on successfully carrying out the production and operation of enterprises. Workers and enterprises should share the same destiny. Invigorating and developing state-owned enterprises are the common demand of the state and workers. The present crucial issue is to deepen enterprise reform, promote the implementation of the "Regulations on Changing the Operational Mechanism of State-owned Industrial Enterprises," actively promote state-owned large and medium-sized enterprises to further improve the operational contract system, test and develop the shareholding system, rationally establish enterprise groups, and promote the amalgamation, leasing, and sale of some state-owned small and medium-sized enterprises. In this connection, trade unions should stand on a higher plane, see farther, coordinate with enterprise leaders on their own initiative, and expand the degree of coordination. Particularly, we should organize and induce workers to actively advance reform of the employment system, the distribution system, and the social security system; expand the production and operational avenues; make arrangements for the work and living of surplus workers; and solve the practical difficulties of workers working in enterprises running at half capacity or brought to a standstill. We should expand the work spheres, enrich the work substance, and while paying attention to the trade union work in state-owned and collective enterprises, promptly strengthen the trade union work in township enterprises, foreign-funded enterprises, and private enterprises, and rapidly organize the broad masses of workers of these enterprises to join the trade unions in line with law and in accordance with their wish.

We should study how to give full play to the role of trade unions as a democratic channel under the new situation and safeguard the master status of the masses of workers. At present, the appearance of various ownership systems and various operational forms help to diversify the forms of specifically realizing the master status of workers and the degree of realization. We must clearly understand that under the socialist system of our country, the masses of people are the masters of the state. Like the workers of the state-owned enterprises and collective enterprises, the workers of foreign-funded enterprises and private enterprises are also working in the capacity of masters of the state. They are different from the employed workers under the capitalist conditions. The trade unions at all levels should devote all their attention to studying the work methods under different ownership systems and various operational forms, give full play to the role of democratic participation and social supervision in different forms, properly rely on the masses of workers to safeguard the interests of the state so that they will not be infringed on, reflect the rational demands of workers, and realistically safeguard and protect the legal rights and interests of workers.

Not long ago, the objective put forward by the provincial party committee on "carrying out trade union work with

Jilin characteristics" became an impetus for promoting the provincial trade union work to a new stage. We should continue to uphold this objective. In the future, we should closely combine the objective of trade union work with the objective of building Jilin into a developed border province near the sea, enrich these objectives, and set new standards in an effort to "seize characteristics, make improvements, seek actual efficiency, and create top-grade achievements" in the whole province's trade union work.

4. We Should Strengthen The Party's Leadership Over Trade Union Work

Trade unions are the mass organizations of the working class, the bridges linking the party and the government with the masses of workers, and the important social pillars of state political power. We may say that the work of trade unions is an extension of the party's work. The party committees at all levels should firmly cultivate the ideology of wholeheartedly serving the working class and the masses of people and further strengthen and improve their leadership over the work of trade unions. We should pay attention to giving play to the role of trade unions in the state political, economic, and social life; further implement the "trade union law"; and support trade unions to independently and creatively carry out their work in line with law and their own regulations. We should support trade unions to reflect the opinions and voice of the worker masses through organizing all sorts of normal democratic channels, express the wish of workers, and, while safeguarding the interests of the people, safeguard the interests of workers. It is necessary to give full play to the role of trade unions in ideological education and give play to their role in democratic participation and supervision in managing state and social affairs. We should help trade unions at all levels solve difficulties and problems which they have encountered in their work and care for the growth of trade union cadres. In short, the party committees at all levels should care for and pay attention to trade union work. Governments at all levels and administrative leaders of enterprises and institutions should support trade union work, and through the efforts of various sectors, build the trade union organizations throughout the province into independent, democratic, and trustworthy "families of workers" under the leadership of the party.

Comrades, the great plan is lying ahead, the burden is heavy, and the road is long. The working class and the trade union organizations across the province should rally closely around the party Central Committee with Comrade Jiang Zemin as the nucleus, never fail in their historical missions, work together with the people throughout the province, maintain unity and engage in arduous struggle, rouse themselves for vigorous efforts to make the country prosperous, and create more brilliant achievements in successfully fulfilling all reform and construction tasks of the 1990's and realizing the grand objective of building Jilin into a developed border province near the sea.

I wish the congress a great success.

Jilin Branch of Airlines Opens Five New Routes

SK2207075693 Changchun JILIN RIBAO in Chinese
18 Jun 93 p 5

[Text] Since its establishment, the Jilin Branch of the China Northern Airlines has embarked on the stage of all-around invigoration. Since its establishment on 8 August last year, in addition to the 15 original domestic lines, this branch has opened two domestic lines, with one flying from Changchun to Kunming and the other from Changchun to Heihe, and three international lines, with one flying from Changchun to Sendai, another from Changchun to Seoul, and another from Changchun to Hong Kong. At the same time, it has continuously strengthened the building of infrastructure and the ranks of crew. To meet the date when several MD-82 airplanes are directly managed by the branch, and to suit the demand of opening new air lines, this branch has applied for passports for its 37 aircrew in advance and held classes for its ground crew to study the theory of maintenance of MD-82 airplanes. It will also build a corresponding foodstuff processing base in cooperation with foreign firms in order to provide meals for its airplanes and improve the service quality in an all-around manner. Thus far, 130,000 people have departed Changchun by the planes of this branch.

Northwest Region

Gansu Secretary Addresses Antinarcotics Meeting

HK2007134093 Lanzhou Gansu People's Radio
Network in Mandarin 2300 GMT 15 Jul 93

[Excerpt] The provincial committee and provincial government called a teleconference yesterday afternoon to mobilize the whole province to launch a mammoth specialized campaign against drug-related crimes to curtail effectively the lawless activities of making, trafficking, and abusing drugs, which are gaining ground again; stabilize the overall social order; and guarantee the smooth progress of reform, opening up, and economic construction in our province.

Provincial Secretary Gu Jinchi presided over the meeting and spoke.

Gu Jinchi said: The antinarcotics campaign concerns the destiny of the nation and the state. We must have a profound understanding of the necessity, difficulty, and complexity of the specialized campaign against drug-related crimes. Authorities from various quarters must cooperate closely and consistently exercise comprehensive control to win victory in this specialized campaign, which is mainly targeted at drug-related crimes. In the actual work, it is necessary to mobilize fully and rely on

the masses in carrying out the specialized campaign in depth. Leaders at all levels must win this tough battle with a high sense of responsibility to the party and the people, the firmest attitude, the most resolute actions, and the most powerful measures. [passage omitted]

Shaanxi Reports Agricultural Statistics

HK2207061693 Xian Shaanxi People's Radio Network
in Mandarin 0010 GMT 19 Jul 93

[Text] According to information provided by the provincial statistical bureau, the situation of our province's rural economy was good in the first half of this year, which was largely manifested in the following several aspects.

First, in the first half of this year, the total output value of agriculture was over 7.85 billion yuan, an increase of 12.6 percent over the same period last year, and rural areas witnessed a general growth in agriculture, side-line production, and fisheries. Nonagricultural sectors continued to develop while being readjusted, and the output value in the first half of this year will increase by about 20 percent over the same period last year.

Second, there was a bumper harvest of summer grain and rapeseed. According to the investigation conducted by the provincial rural investigation team, the gross yield of summer grain was up to 5.46 million metric tonnes, an increase of 15.9 percent over the same period last year; whereas the gross yield of rapeseed was 211,000 metric tonnes, an increase of 1.9 percent over the same period of last year.

Third, there was good production of tea, silkworm, and fruit. The silkworm yield in spring throughout the province was 7,055 metric tonnes, an increase of 4.69 percent over the same period of last year; the yield of tea in spring was 4,135 metric tonnes, an increase of 15.63 percent over the same period of last year; and the yield of fruit was 137,000 metric tonnes, an increase of 96.88 percent over the same period last year.

Fourth, animal husbandry and fisheries developed in a healthy way so that the market was brisk and the sales were better than those of last year. In the first half of this year, the output of aquatic product was 9,474 metric tonnes, an increase of 11.2 percent over the same period last year.

Fifth, the development pace of township and town enterprises in our province markedly accelerated. Up to the end of last May, township and town enterprises throughout the province completed a total of more than 13.5 billion yuan of output value, an increase of 56.67 percent over the same period last year, and the total earnings of township and town enterprises were over 13.27 billion yuan, an increase of 56.31 percent over the same period last year.

Navy Criticized for Deal With CIA-Linked Firm*OW2207054393 Taipei CNA in English 1358 GMT
21 Jul 93*

[Text] Taipei, July 21 (CNA)—A legislator on Wednesday [21 July] lashed out at the Navy for allegedly illegally awarding a contract to a debt-ridden and nearly bankrupt US company headed by former Central Intelligence Agency staffers.

Kuomintang legislator Ting Shou-chung said in a written interpellation to the Executive Yuan that the company, Flight International Group Inc. (FI), was awarded the contract under the auspices of performing aircraft maintenance, when in fact is training naval personnel in the targeting and shooting of aircraft, which Ting says is a violation of the Civil Aviation Law.

While the US Navy has ended a similar training project with FI after FI became embroiled in financial disputes with other clients, Ting said, the Republic of China [ROC] Navy has decided to renew its contract with FI after the current one expires in July.

This is especially irksome to Ting because he thinks several local companies are qualified to do the same job FI is doing. Ting said the Ministry of National Defense should make public the bidding process and look into the case to see whether irregularities are involved.

Taiwan, ROK Negotiate on Ties in Japan*OW2207091393 Taipei CNA in English 0807 GMT
22 Jul 93*

[Text] Seoul, July 22 (CNA)—Taiwan and South Korean officials have been meeting in Osaka, Japan, since Wednesday [21 July] in a bid to conclude their negotiations on the reestablishment of ties, a Foreign Ministry official said Thursday.

The two sides are working on procedural matters and wording of the agreement as their vice foreign ministers have already reached a consensus on most major topics during talks in Seoul last week, he said.

The Korean side hopes to initial the accord on establishment of informal ties at the end of the two-day talks Thursday.

But the official said he cannot be that optimistic about the result because of difficulties over the wording of the accord.

For example, it is not easy for the two sides to agree on various words used in the agreement because they are not supposed to use usual terms found in agreements between any two countries, like the government, state or country.

Republic of China [ROC] officials are also very concerned about procedural matters, he said. They, for example, want more publicity at the signing ceremony.

Ambassador-at-large Yi Hyong-hong is representing the South Korean side at the Osaka talks. His Taiwanese counterpart is Charles Shu-Chi King, former ambassador to Seoul.

This is the second round of their talks on the reestablishment of ties between South Korea and Taiwan.

The two countries severed ties on Aug. 24, 1992, when Seoul set up diplomatic ties with Beijing.

Chien Fu Refuses Comment*OW2207034793 Taipei CNA in English 1350 GMT
21 Jul 93*

[Text] Taipei, July 21 (CNA)—Foreign Minister Chien Fu said Wednesday [21 July] that negotiations on establishing a new relationship between Taipei and Seoul should be held on the basis of equality and reciprocity. Chien stressed that it is still too early to spell out the exact time for signing any agreement on new Taipei-Seoul ties.

According to a CNA dispatch from Tokyo, the South Korean Consulate General in Osaka has confirmed that high-ranking officials from the Republic of China [ROC] and South Korea are currently meeting in Osaka.

But Chien refused to confirm the report, and also refused to comment on another report that Seoul may send Vice Foreign Minister Hong Sun-yong to Taipei to sign an accord. "I won't comment on anything that isn't certain," Chien said.

According to a Seoul press report, ROC and South Korean officials began a three-day meeting in Osaka Wednesday [21 July] to discuss issues related to future Taipei-Seoul ties, including the names of each side's representative office and the validity of agreements signed between the two nations before the severance of their diplomatic ties last August.

Chien Fu Says Entry to UN To Aid Unification*OW2207090893 Taipei CNA in English 0803 GMT
22 Jul 93*

[Text] Taipei, July 22 (CNA)—Foreign Minister Chien Fu said Thursday [22 July] that allowing the Republic of China [ROC] to enter the United Nations would help promote the unification of China.

Chien said both Germany and Korea served as good examples that the unification process of divided nations was not hindered by simultaneous participation in international organizations.

Chien added the Republic of China remains committed to the unification of China and joint participation in the UN would help the unification process.

Chien was speaking to a group of advertisers on how to support the government's efforts to enter the UN.

Many UN member countries would not comment on or voice support for the ROC's bid to enter the UN for fear of offending Mainland China, Chien told the group.

However, most of those countries are democracies with a great respect for public opinion, he said. Chien urged ROC nationals to try to influence the people in those countries to call for their governments' support for the ROC.

Chien also said the ROC has no set position on the method, name and time schedule for UN entry, adding that getting in is the top priority.

The ROC withdrew from the UN in 1971 when the world body admitted Beijing.

Meanwhile, Premier Lien Chan told a visiting delegation of European parliamentarians that the United Nations had not treated the ROC fairly.

Lien said the UN is discriminating against Taiwan by shutting out a government which represents 20 million people.

Lien made the remarks when he was receiving a delegation from the European Parliament.

Li Teng-hui Receives Canadian Senate Speaker

*OW2207091293 Taipei CNA in English 0817 GMT
22 Jul 93*

[Text] Taipei, July 22 (CNA)—President Li Teng-hui Thursday [22 July] welcomed Canadian entrepreneurs to invest in Taiwan amid signs that a new economic stimulus package has begun to pay off.

In a meeting with Canadian Senate Speaker Guy Charbonneau, Li said the economic stimulus package, which was put into effect early this month, was met with approval by the private sector.

Li said since the package took effect, investments made by the three conglomerates of Formosa Plastics, Tuntex, and Yieh Loong exceeded NT\$300 billion (U.S.\$11.32 billion).

The president called on Canadian businesses and industries to join in Taiwan's economic development. Cooperation in various fields such as trade, investment, insurance, and telecommunications would enhance relations between the two countries, he said.

Charbonneau, one of the most prominent Canadian political figures ever to visit Taipei since diplomatic ties between the two countries were suspended in 1970, was accompanied during the meeting by Vice Foreign Affairs Minister Chen Hsi-fan.

Noting that he appreciated meeting with the president, the speaker said relations between Taiwan and Canada substantially improved since 1986 when the Canadian Trade Office in Taipei was established.

He said about 5,000 students from Taiwan are studying in Canada, while an average of 15,000 Taiwan tourists visit the North American country each year.

Asian Textiles Face Andean Antidumping Tariffs

*OW2207035093 Taipei CNA in English 1354 GMT
21 Jul 93*

[By Sofia Wu]

[Text] Taipei, July 21 (CNA)—Following the lead of Mexico, five Andean nations are planning to impose anti-dumping tariffs on textile goods from Asian countries, including Taiwan, government sources said Wednesday [21 July].

Mexico began levying exorbitant 1,000 percent anti-dumping tariffs on Taiwan-made textile products early this month.

The Board of Foreign Trade (BOFT) said the five Andean countries—Ecuador, Colombia, Venezuela, Bolivia and Peru—are now considering imposing 30 percent anti-dumping customs duties on garments from Taiwan and other Asian nations.

The five South American countries are also planning to implement a quota system to regulate textile imports from Asia, BOFT officials said. The officials pointed out that the five Andean nations have been hit by a prolonged economic recession. "They want to protect their own textile industries by levying high tariffs on foreign imports, particularly those from major Asian textile producing countries," the officials explained.

Taiwan exported some US\$30 million in textile goods to Mexico in 1992 and its aggregate sales to the five Andean countries were less than US\$10 million, according to government tallies.

BOFT officials urged local textile makers to pay more heed to possible changes in the Andean countries' import systems and tariff rates in order to minimize their losses.

Power Company Shuts Nuclear Plant Generator

*OW2207082793 Taipei CHINA POST in English
17 Jul 93 p 16*

[Text] The Taiwan Power company yesterday closed a leaking generator and experienced fresh strains in meeting power demand as consumption reached this summer's high.

Power usage climbed to 17,440,000 kilowatts during the peak consumption hour, setting a new record. But next week's consumption will see the highest level for this year, Taipower predicted.

"We had strains in meeting users' demands, and if any of the major generators break down in the future, the possibility of power shortage is likely," said Lin Shen-yuan, Taipower official.

The shutdown of the No. 1 generator at the first Nuclear Power Plant postponed maintenance work scheduled for last night for the plant's No. 2 generator, Taipower officials said.

The No. 1 generator was shut down at 11:44 a.m. after workers reported steam leaking from its pipeline, the officials said.

The shutdown caused an estimated loss of 635,000 kilowatts, leaving Taipower only 17.8 million kilowatts to meet a peak demand of 17.4 million kilowatts.

Taipower planned to close the plant's No. 2 generator to inspect its blades but decided to halt the shutdown until the No. 1 generator resumed operation.

It may take one to two days to repair the leaking generator and resume power supply, said officials.

Taipower yesterday also tapped the resources of two reservoirs in southern Taiwan which provided 447,000 kilowatts.

If major generators were to break down, Taipower would be forced to cut down power supply to major industrial users, with households the last to be affected, officials said.

Government Sources Predict Per Capita GNP

*OW2107100093 Taipei CNA in English 0745 GMT
21 Jul 93*

[Text] Taipei, July 21 (CNA)—The Republic of China [ROC]'s per capita gross national product (GNP) is expected to reach an estimated U.S.\$13,300 by 1996 when the ongoing six-year national development plan is completed, government sources said Tuesday [20 July].

According to an outlook report on the six-year national development plan released Wednesday by the Council for Economic Planning and Development (CEPD), the ROC economy is expected to grow by an average 6.2 percent in the last three years of the 1991-1996 six-year plan, a pump-priming scheme for the nation.

In the years 1994-1996, the growth of the consumer price index is estimated not to exceed 4 percent, while the unemployment rate should go no higher than 1.5 percent, the CEPD report indicated.

Other growth targets expected to be reached by 1996 include the nation's GNP which should top U.S.\$285 billion, with merchandise imports and exports reaching U.S.\$206.8 billion, the report said.

Hong Kong

PRC, UK End 8th Round of Talks on Hong Kong

HK2207071093 Hong Kong AFP in English 0704 GMT 22 Jul 93

[Text] Beijing, July 22 (AFP)—After three days of talks with China on democratic reform in Hong Kong, Britain's chief negotiator at the discussions said Thursday it was hard to know whether he was "running or walking."

Sir Robin McLaren, Britain's ambassador to China, made the remark despite an agreement reached earlier this month between British Foreign Secretary Douglas Hurd and his Chinese counterpart Qian Qichen to speed up the slow-moving talks.

The eighth round of talks, which began Tuesday, was the first to be held since Hurd visited Beijing to lay down the "essentials" for the discussions from London's point of view.

"We on the British side have been following the guidelines laid down by Foreign Minister Mr. Hurd," said McLaren, side-stepping questions on whether China had also kept within the agreed framework. "The two foreign ministers have undoubtedly given impetus to our talks. They helped to concentrate minds," McLaren said, adding that he had engaged in "substantive" discussions with his Chinese counterparts this week.

But he said it was still "very difficult to say whether one's running or walking," and declined to give any indication when the two sides might reach a consensus.

Britain and China have been at loggerheads since October over Hong Kong Governor Chris Patten's proposals to broaden the franchise in the last polls before the British colony reverts to China in 1997. China has threatened to replace the Hong Kong government and legislature in 1997 should the proposals be adopted.

The date of the next round of talks was to be announced later Thursday.

Commander on UK Troop Withdrawal From Colony

PM2107154693 London THE DAILY TELEGRAPH in English 21 Jul 93 p 12

[Graham Hutchings report: "5,500 Troops To Pull Out of Hong Kong before 1997"]

[Text] Hong Kong—Britain is to cut the number of troops in Hong Kong by more than half from the current force of 8,500 to just 3,000, the Army confirmed yesterday.

The number is likely to be reduced even further before 1997, when Beijing regains sovereignty, said Major-General John Foley, Commander British Forces Hong Kong.

The 1st Battalion The Black Watch will return to Britain in August next year, and the two Gurkha battalions in the colony will merge to form the 1st Battalion the Royal Gurkha Rifles.

There will then be what one military source called "drastic reductions" in the Gurkha support services, so that by mid-1995, the Gurkha force will be no more than 3,000 strong. Gen Foley said the Gurkhas would be withdrawn at the end of 1996 to be replaced by a British battalion, whose members would not be accompanied by their families.

Three Royal Navy patrol craft will remain until the transfer of power and so will RAF helicopters, but possibly in reduced numbers.

"I would very much hope that the actual final departure will be a dignified, calm exit, but that's such a long way off and much water can pass under many bridges," said Gen Foley. China had been informed of the withdrawal plans but had made no response.

The People's Liberation Army [PLA], which was used to crush pro-democracy protests in Beijing four years ago, is likely to have a much higher profile in the territory than British soldiers, who are never seen in uniform in Hong Kong's busy streets except on official duties.

Asked why Beijing had been informed of the planned military cuts before the public, Gen Foley said: "I am sure you would agree that it is entirely sensible for us to tell the incoming occupants what we're doing between now and 1997.

"The Chinese side...have been given an assurance of our interest in retaining stability in Hong Kong."

Reductions were possible because of an expansion in the capabilities of local security services and a perception that prospects for stability and security in Hong Kong in the final 30 months of British rule were "extremely good".

The need to cut costs—currently split between the Hong Kong and British governments on a 65-35 per cent basis—was only one contributory factor, he said.

Details of British plans for military withdrawal follow strong indications that China is making ready the forces it will assign to the territory in just under four years.

Xu Huizhi, a deputy Chief of Staff of the PLA and a member of Beijing's new "Preliminary Working Committee", or shadow authority, for Hong Kong, has said that troops will be stationed in urban areas.

The size of the PLA garrison would depend on the territory's perceived defence needs, he added.

His remarks coincide with indications that the Chinese Communist Party is concerned about its control over the three-million-strong PLA. The army's General Political Department has ordered troops to study directives from

Deng Xiaoping, the elder statesman, about the need for "absolute party leadership", according to press reports.

British 'Spy Station' To Close Partially in 1994

HK2207035093 Hong Kong SOUTH CHINA MORNING POST in English 22 Jul 93 p 5

[Report by Mark Hughes]

[Text] A question mark is hanging over the future of Hong Kong's top secret spy station in the run-up to 1997. The station, at Chung Hom Kok, near Stanley, is a listening post for microwave telephone lines and radio traffic in the region. Staff monitor, decode and translate information they pick up through sophisticated satellite dishes and other hi-tech devices.

But the British Government is having to decide what to do with the installation before the Chinese arrive. They are also keen to resist any call by China to inspect the site before 1997.

The listening post is run by a British government body called the Composite Signals Organisation, a subsidiary of General Central Headquarters (GCHQ) at Cheltenham, in western England. GCHQ is a clandestine listening station on a much bigger scale which coordinates information gathered from support posts around the world, including another listening operation in the region at Singapore. It is also closely associated with the activities of Britain's overseas secret service, MI6, although the exact nature of the relationship has not been revealed.

A spokesman for the Joint Services Public Relations Staff said he could not answer any inquiries about the Hong Kong station, which is not marked on public maps. But inquiries by the SOUTH CHINA MORNING POST revealed that it is increasingly being run by Australians, who share the information they gather with Britain and the United States.

British Foreign Office spokesman Chris Osborne said: "Its work is something that nobody comments on." The site's future was not being discussed as part of the Sino-British Joint Liaison Group's deliberations on the future of land occupied by the British military, he said.

The site is understood to be scheduled for at least partial closure in 1994 and Brunei is being suggested as a new base. After 1997, it is expected a slimmed-down version of the monitoring equipment will be established in the British consulate in line with similar operations run by other countries.

British Conservative MP and acknowledged espionage expert Rupert Allason, who writes spy thrillers under the pen name Nigel West, said the post had been a major source of intelligence gathering for a long time. He suspected it was used to gather information during the Sino-Soviet split in the 1960s.

"There was tremendous speculation in the secret service then about whether the split was genuine or an elaborate ploy to deceive the West. MI6 found out it was genuine. They were right."

Mr Allason said the operation would also have been useful during the Cultural Revolution. The site was in prime location, he said. "These sorts of sites are in quite short supply. The fact that it is there and it employs so many people is a testimony to its usefulness. The British will not want the Chinese to get their hands on it."

But as for learning more about its role, he said: "Nothing useful can be said about the activities of GCHQ because the moment you discuss any amount of its capability, you compromise its functions."

Jiangxi Province Opens Trade Fair in Territory

HK2107085093 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1247 GMT 20 Jul 93

[By reporter Shi Qingbin (2457 3237 1755): "Jiangxi Invites Investment From Hong Kong in 426 Projects in a Seven-Day Trade Fair Beginning Today in Hong Kong"]

[Text] Hong Kong, 20 Jul (ZHONGGUO TONGXUN SHE)—The seven-day Jiangxi Trade Fair for Inviting Investment opened at the Hong Kong Exhibition Center today. Investment is invited in 426 projects, including projects in transportation, the energy industry, agriculture, the building materials industry, machine-building, the electronics industry, the metallurgical industry, the light industry, and the textile industry.

Jiangxi Province is located in the central area for opening up and development along the Chang Jiang and is in the vicinity of cities and special economic zones which are open to the outside world in southeast coastal provinces. Jiangxi is rich in natural resources and is an important base of commodity grains and an important nonferrous metal industrial base in China. It has a modern industrial system of a considerable scale and with various trades.

It is reported that in 1992, Jiangxi Province introduced \$750 million of foreign funds and approved the establishment of 906 foreign-invested enterprises. In the same year, the total production output value was 14 percent over that of the previous year, thus hitting the target of an economic growth rate higher than the average of the country.

Zheng Liangyu, vice governor of Jiangxi and head of the delegation for inviting investment, said that the purpose of coming to invite investment this time is to strengthen exchange and cooperation with Hong Kong's industrial and commercial circles through extensive and in-depth contacts, to expand economic contacts between Jiangxi Province on the one hand and Hong Kong, Macao, Taiwan, Southeast Asia, and other countries and regions

of the world on the other, and to increase invitation of investment and introduction of funds.

Vice Governor on Investment

HK2107134293 Beijing ZHONGGUO XINWEN SHE
in Chinese 1356 GMT 20 Jul 93

[By reporter Duan Bayi (3008 0360 0001)]

[Text] Hong Kong, 20 Jul (ZHONGGUO XINWEN SHE)—Zheng Liangyu, vice governor of Jiangxi Province, said here today that there will be no problems with Chinese partners supplying their share of capital in transportation, energy, communications, and urban residential housing projects which incorporate joint investment by businessmen from Hong Kong, Macao, Taiwan, and foreign countries.

At the opening ceremony of the Jiangxi Trade Fair for Inviting Investment today, Zheng Liangyu said that, like other localities across China, there is not any comprehensive economic retrenchment in Jiangxi Province;

only structural readjustment is being made. Jiangxi Province welcomes investment by businessmen from Hong Kong, Macao, Taiwan, and foreign countries in the development of transportation and the energy and communications industries, areas in which China is encouraging investment.

Zheng Liangyu briefed over 800 Chinese and overseas participants in the fair on Jiangxi's general conditions. He said that, to date, businessmen from Hong Kong, Macao, and Taiwan have shown great interest in investing in transportation and electricity projects in Jiangxi and have come one after another to Jiangxi to negotiate or invest in those projects.

Zheng Liangyu said that Jiangxi is inviting investment in over 400 projects and is exhibiting over 1,000 kinds of brand-name, excellent-quality, and native products which businessmen can invest in at the current trade fair.

The current trade fair is open from 20 to 26 July at the Hong Kong Museum of Chinese Historical Relics.

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